

**GLOBAL BUREAU ENVIRONMENT CENTER**

**FY 2001**

**RESULTS REVIEW**

March 15, 1999

The attached results information is from the FY 2001 Results Review and Resource Request (R4) for G/ENV and was assembled and analyzed by USAID/G/ENV.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from David Grossman, G/ENV/DAA.

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## INTRODUCTION

For the Global Bureau Environment Center (G/ENV), 1998 may well be remembered as the year of natural disasters. G/ENV entered the year grappling with how to contain massive El Niño-related forest fires that swept across six continents, and exited the year by responding to two of the Western Hemisphere's most destructive hurricanes in the Caribbean and Central America. Environmental mismanagement contributed to the heavy economic and human toll these disasters exacted—estimated at \$4.4 billion for the fires in Indonesia and \$8.5 billion for Hurricane Mitch in Central America, in addition to the 9,000 people who perished and the 3 million who were dislocated by the record-setting storm. Images of people cowering in the face of searing flames in Indonesia and of deadly landslides crashing on top of houses in Honduras brought home, once again, the critical role that environmental management plays in achieving sustainable development for every country. These images are vivid reminders of just how fragile and yet critical the links between environmental management and poverty truly are.

While the Center worked within USAID and with other USG agencies to respond to these natural disasters, G/ENV also addressed equally critical challenges facing the world: global climate change, continued loss of forests and biological diversity, explosive urban growth and pollution, water scarcity, and degradation of coastal and marine ecosystems. To confront these threats, the Center supported three strategic support objectives (SSOs) that promote environmentally sustainable development—natural resources management, sustainable urbanization and pollution abatement, and environmentally sound energy—and a new special objective to improve climate change policies, programs, and strategies. With the Center's performance monitoring plan in place for all three SSOs and in development for the special objective, the team was able to measure how well it achieved its targets this year.

### G/ENV Performance in FY98

Performance findings in FY98 reveal that SSO1 – Increased and Improved Protection and Sustainable Use of Natural Resources, and SSO2 – Improved Management of Urbanization in Targeted Areas, were “on-track,” and SSO3 – Increased, Environmentally Sustainable Energy Production and Use “exceeded” targets (see Table 1). As in previous years, G/ENV monitors two kinds of indicators. Program indicators measure the environmental and development results that the Center achieves in collaboration with a broad array of partners, including missions and bureaus. Performance data tables provide additional information on how missions may be reporting on these shared program results. Program indicators form the core of the Center's monitoring plan; however, G/ENV also uses value-added indicators to measure progress in achieving its technical leadership and field support objectives.

As highlighted below, the Center programs achieved several notable results this year:

- *SSO1 was on-track in meeting its FY98 targets by working in 34 countries to promote the sustainable use and management of critical natural resources.* The team achieved key management improvements on 14.2 million hectares of forests, coasts, and other biologically important habitat (an area nearly the size of Wisconsin), exceeding its target of 12.8 million hectares. As a result, 1.1 million hectares are now under effective management, where G/ENV and its partners have built the capacity to address a wide variety of environmental
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**Table 1: Summary of G/ENV Performance in FY98**

<b>Overall Performance Rating</b>		<b>SSO Indicator Ratings</b>	
<b>SSO1 - Increased and Improved Protection and Sustainable Use Of Natural Resources</b>	On-track	Hectares under effective management	On-track
		Hectares under improved management	Exceeded
		Number of policy successes	On-track
		Value-added indicators for field support and Agency and international leadership	Mixed
<b>SSO2 - Improved Management of Urbanization in Targeted Areas</b>	On-track	Households benefiting from improved urban environmental services and shelter	Fell short
		Industries integrating P2/CP	Exceeded
		Value-added indicators for field support and Agency and international leadership	Mixed
<b>SSO3 - Increased, Environmentally Sustainable Energy Production and Use</b>	Exceeded	Greenhouse gas emissions avoided	Exceeded
		Private and public investment leveraged	Exceeded
		Policies adopted and implemented	Exceeded
		Value-added indicators for field support and Agency and international leadership	Mixed
<b>SpO1 - Improved Response to Climate Change</b>	New Objective*	In development	New Objective

\* The Center will begin reporting on performance for SpO1 in FY99, after the objective has been operational for its first full year.

threats and have achieved ecological improvements. In addition, 15 new local and national resource management policies have demonstrated on-the-ground environmental gains.

The SSO1 team also worked with 39 missions and bureaus to provide field support. The team contributed to 32 Agency and international policy initiatives. Highlights of SSO1 leadership accomplishments included assistance to USAID/Morocco to design one of the Agency's first SOs promoting integrated water resources management; development of short- and long-term disaster response activities for forest fire management in Brazil, Mexico, Russia, and Southeast Asia; and design of a new biodiversity conservation program in collaboration with leading environmental NGOs.

- *Overall performance for SSO2, which helped 41 countries improve living conditions for the urban poor, was on-track.* The team worked with industries in eight countries to institute 141 cleaner production policies and manufacturing processes, exceeding the targeted number of 90. In addition, 506,085 households benefited from improved access to urban

environmental infrastructure and shelter, a figure that is lower than the target number of 579,000 households. This shortfall is due to factors entirely outside of USAID's control—including the Asian financial crisis and USG sanctions on India—which caused loan disbursements under the Urban and Environmental Credit Program to fall below planned levels.

SSO2 also made 71 contributions to advance the Agency's position as a leader in urban management. The team coordinated USAID's Urban Task Force for the Making Cities Work strategy, which was launched by Agency Administrator J. Brian Atwood. SSO2 led the shelter and municipal infrastructure component of the Agency's response to Hurricanes Mitch and Georges into FY99, and developed lending and fiscal management policies for the Development Credit Authority (DCA). Furthermore, SSO2 team members won two USAID achievement awards: one for effectiveness in improving the Agency's capabilities to manage credit programs and the other for developing India's first municipal bond, which introduced innovative municipal management approaches to the country.

- *SSO3 exceeded its SSO targets by working in 24 countries to increase the production and use of environmentally sustainable energy.* The team leveraged \$484 million for sustainable energy production, exceeding its target of \$165 million as a result of leveraging World Bank loans and achieving financial closure on a number of deals. SSO3 assisted seven countries to adopt and implement 14 new sustainable energy policies. Due to SSO3 projects, 634,000 tons of greenhouse gases have been avoided.

SSO3 staff also provided 12 missions with in-country technical assistance and training. In addition, SSO3 successfully launched the Energy IQC, which attracted \$37.7 million in obligated funds from 17 missions and bureaus in its first year of operation. Other major value-added results included providing technical assistance to USAID/Ghana, the first AFR mission outside of South Africa to receive G/ENV assistance for sustainable energy. The team partnered with the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) to establish the Technology Cooperation Agreement Pilot Project (TCAPP), which will play a key role in disseminating U.S. technologies for climate change mitigation to developing countries.

FY98 also was an important year for the Center's global climate change activities. G/ENV led an inter-bureau working group to develop the Agency's Global Climate Change Initiative, adopted in fulfillment of President Clinton's pledge to provide \$1 billion in assistance to developing countries for climate change mitigation. Launching the initiative relied heavily on mission participation, particularly to establish the performance monitoring plan. In addition, the Center helped craft USG policy to facilitate developing country participation in the UN Framework Convention on Climate Change and represented the Agency at the Buenos Aires Conference of the Parties to the convention.

### **Overview of Centerwide Value-Added Results**

G/ENV pursues value-added objectives that are directed toward helping missions achieve their own strategic objectives, advancing internal USAID environmental policy and institutional capacity, and promoting USG policy positions in key international fora and other donor agencies.

This year the Center assessed how well it achieved its value-added targets by tracking four indicators (see Table 2) and by surveying G/ENV's customers. Once all mission R4s have been submitted to USAID/W, the Center will work with Agency colleagues to assess how well individual operating units are achieving their own environmental targets to identify possible areas for future assistance.

*Field Support.* G/ENV worked with a total of 63 operating units in FY98 by providing direct in-country technical assistance and management support through the Center's procurement vehicles. These G/ENV field support activities served approximately 85 percent of all USAID operating units pursuing environmental objectives.<sup>1</sup> Within the field support data, a sharp rise in mission and bureau demand for Center procurement vehicles was the most significant trend this year. A record 42 operating units channeled \$91.5 million through Center mechanisms in FY98, a 68 percent increase in obligations over last year's \$54.3 million from 32 operating units. The largest increases occurred within the energy SSO3, which experienced nearly a six-fold jump in obligations. In FY98, 17 operating units obligated \$37.7 million to the Energy SSO, versus \$6.0 million obligated by six missions the previous year. Like SSO3, SSO1 had more missions and bureaus tap into Center vehicles. For SSO1, 26 operating units channeled funding for natural resources management, up from 16 operating units last year. This trend is largely attributable to the growing use of new environmental IQCs brought on line over the last two years, as described in more detail below under performance factors.

*Agency and International Leadership.* The Center contributed to 67 Agency policy initiatives and institutional strengthening results in FY98 in the areas of global climate change, performance monitoring, disaster response, and other priority areas that are described in detail in individual SSO chapters. Several results are geared toward strengthening the Agency's future institutional capacity in the environment. For example, as a result of a G/ENV-led staff analysis of USAID environment officers that found an impending shortage of "backstop 40" officers, the Center worked with PPC and the M bureau to request a total of 14 new environmental International Development Intern positions for the 1999 and 2000 classes. In addition, the Center developed major components of a new internal web site to facilitate the dissemination of environmental information throughout the Agency.

As part of the Center's international leadership objectives, staff contributed to 59 policy and programs results around the world. Technical experts represented USAID at various participants' meetings for international environment conventions and coordinating bodies, including the UN Commission on Human Settlements, UN Convention to Combat Desertification, and the U.S.-South Africa Binational Commission. Staff helped to ensure that USAID's extensive experience and the lessons learned in sustainable development were incorporated into key international policies. For example, due in large part to G/ENV's participation, the UN Commission on Sustainable Development adopted a new policy statement on water resources management that integrates an ecosystem management approach and that recognizes the importance of conserving aquatic biodiversity.

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<sup>1</sup> Percentage represents an approximation of G/ENV coverage for field support. The calculation is based on CDIE's list of 73 operating units that pursued environmental objectives in FY97, which is the latest year that the data are available. The Center assumes that on a year-to-year basis, the number of operating units pursuing environmental SOs will not change significantly.



**Table 2: Overview of FY98 G/ENV Value-Added Results**

SSO Team	Core Funds (FY98)	Field Support				Technical Leadership	
		Indicator 1: Technical Assistance to the Field		Indicator 2: G/ENV Procurement Vehicles Utilized by Missions*		Indicator 3: No. of Agency Policies and Programs	Indicator 4: No. of International Policies and Programs
		No. of Missions and Bureaus	Person days	No. of Missions and Bureaus	(\$million)		
SSO1	10.3	28	399	26	\$33.1	14	18
SSO2	5.6**	39	1,677***	14	\$9.7	39	32
SSO3	18.0	12	157	17	\$37.7	12	9
Cross-Cutting****	0.0	12	93	19	\$11.0	2	0
Total	33.9	48	2,326	42	\$91.5	67	59

\* Includes mission and bureau buy-ins, add-ons, IQC task orders, and OYB transfers obligated to G/ENV mechanisms in FY98. \*\* Excludes \$3.0 million for the Urban Environment Credit Program. \*\*\*Excludes RUDO long-term Strategic Objective management. \*\*\*\* Includes task orders to environmental policy and engineering IQCs that cut across the three SSOs, as well as services for administrative and technical support to individual operating units, such as USDA RSSAs.

*Findings from Customer Survey.* As a new addition to the performance monitoring plan, G/ENV distributed a survey to mission and bureau environment and energy officers around the Agency to assess how well the Center serves its “customers.” Forty surveys were returned from staff located throughout the regions (AFR returned 7; ANE, 14; ENI, 7; LAC, 9; and anonymous, 3), providing a response rate of nearly 30 percent and providing the Center with a sense of how the Agency’s environment staff view various aspects of G/ENV field support and Agency leadership functions.

Survey findings provided useful insights that will help staff members determine what aspects of their programs are functioning well and what aspects may need to be buttressed. For example, 45 percent of respondents stated that G/ENV’s greatest strength was its ability to provide relevant technical assistance to missions, followed by 16 percent who indicated it was the Center’s ability to work in new areas, and another 16 percent who identified Center management support for mission programs as a major strength. Respondents ranked the top three Center weaknesses as inadequate influence over Agency policy and guidance (32%), poor coordination with mission programs (21%), and inattention to staffing and career development (21%).

Questions that asked respondents to rank the Center’s technical assistance in four areas further substantiated G/ENV’s strength as a provider of technical assistance to missions: quality of technical expertise, timeliness of assistance, responsiveness to mission needs, and general field support. In the aggregate, respondents gave the Center a score of 2.03 on a scale of “1” for outstanding and “5” for poor. All three SSOs scored in the range of good to outstanding with SSO1 receiving a 2.05; SSO2, a 2.20; and SSO3, a 1.85. While the majority of scores were

favorable, several respondents gave a “4,” signifying poor to good, for the Center’s responsiveness to mission needs and timeliness of assistance. G/ENV will explore how these low scores can be improved.

### **Promoting U.S. National Interests**

The Center’s environment programs contribute to several U.S. foreign policy priorities, providing benefits to the nation’s economy, public health, national security, and environmental quality; promoting democratic systems of governance; and preventing humanitarian disasters around the world. G/ENV’s energy program, for example, opens new commercial opportunities for U.S. businesses to enter environmental and energy markets overseas. Programs to improve forest fire management in Mexico will significantly reduce the risk of particulate matter from smoke entering U.S. territory. Development of a public awareness campaign on water conservation involving the five parties to the Middle East Peace Process is helping the region address the issue of water scarcity, one of its most serious and contentious development challenges. In FY98 G/ENV’s energy program helped transform the energy sectors of developing countries opening a U.S. export market in energy products and services valued at over US \$2 billion per year. The fiscally and environmentally sound energy projects supported by the Agency build U.S. jobs while helping developing countries accelerate economic growth in a sustainable manner. In addition to work in the energy sector, the Center manages several USG programs, including the Southeast Asia Environmental Initiative, a State Department-led effort to improve forest, land, and coastal management and reduce greenhouse gas emissions.

Other Center programs provide long-term benefit to U.S. interests that are perhaps harder to fully quantify. Mitigating the impacts of natural disasters—whether through better soil conservation or through improved urban planning—helps to prevent social and economic crises that trigger immigration to the United States and other countries. Providing communities with legal rights over their natural resources can be a powerful tool to promote democratic systems of governance. Conserving biological diversity helps to safeguard a vast genetic warehouse for new medicines, crops, and products. Well-managed, pollution-free cities are the engines of economic growth that can create a vibrant middle class that demand democratic governance. Promoting the privatization of urban water authorities creates business opportunities for U.S. firms while also expanding access to potable water to underserved communities. Over the longer term, reducing the potential impacts of global climate change will have profound economic, social, and environmental benefits for the United States. In short, environmental sustainability creates stability and prosperity for the United States and its allies.

### **Performance Factors**

G/ENV’s FY98 performance is due to many factors that occurred in the field and in Washington. Staff identified seven key factors as having had a major impact, both positive and negative, on the Center’s ability to achieve targets in FY98 and in the future.

#### ***Key Factors Contributing to Successful Performance***

*Growth of IQCs, Inter-Agency Agreements (IAAs), and Leader With Associate Agreements (LWAs) as new, mission-support mechanisms.* The establishment of a new generation of environment IQCs, first ushered in with the environmental policy and institutional strengthening

(EPIQ) and administrative services IQCs in FY97 and continuing this year with the award of the engineering, energy, energy training, and sustainable agriculture IQCs, has resulted in substantially higher demand from missions for G/ENV procurement mechanisms, as mentioned previously. This increase is largely due to the seven IQCs that are currently in operation. For the Energy IQC, 17 missions obligated \$37.7 million in FY98. For the EPIQ IQC, 20 missions channeled \$16.4 million for 26 new task orders. The EPIQ IQC is demonstrating how these vehicles are helping missions to achieve important development results. For USAID/Central Asia, EPIQ advisors helped broker an historic interstate water and energy use agreement for the Syr Darya Basin that was signed by the prime ministers of Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. For USAID/Indonesia, EPIQ advisors have supported significant policy reforms in the forestry sector that include the break-up of the forest products cartel, introduction of a new forest products royalty system, and new controls on the use of a \$1 billion reforestation fund. G/ENV expects the trend toward use of IQCs as the procurement vehicle of choice for missions to continue well into FY99, with the award of three more IQCs for water and coastal resources management, biodiversity and forestry, and urban management.

In addition to the IQCs, the Center also signed new Inter-Agency Agreements (IAAs) with NOAA, DOI, EPA, and DOE in FY98. New IAAs are designed to provide missions with easy access to USG expertise on a wide range of environmental areas and, at the same time, allow USAID to maintain its lead role within the government on a wide variety of sustainable development and global environmental issues. In FY98, an IAA with USDA's Forest Service provided missions with quick access to leading U.S. specialists in forest fire management and prevention. Under the Southeast Asia Environmental Initiative, USAID worked through IAAs with the CDC, DOI, EPA, NOAA, and USDA to implement the \$4.8 million program.

G/ENV's development of innovative field support mechanisms will continue in FY99 when the Center begins to pilot test two new "leader with associates" (LWA) cooperative agreements as models for the Agency. Designed to simplify mission access to the technical programs of USAID cooperators, these innovative LWAs will be awarded for biodiversity conservation and renewable energy programs.

*Program areas expanded.* Over the past year, the Center expanded its portfolio to reflect growing priorities within the Agency, adding a special objective for global climate change and an intermediate result for sustainable agriculture. G/ENV also played a lead role in launching the Agency's urban management strategy, Making Cities Work. All these programs are oriented toward helping the Agency maintain its leadership in key environmental and development issues. In addition, the Center saw several existing programs expand into new geographic areas. For example, President Clinton's tour to Africa created new interest from AFR missions in the Center's energy program. As one immediate result, G/ENV for the first time provided technical assistance in sustainable energy to USAID/Ghana, and other West Africa missions have requested assistance for similar work. Other new programs, such as the upcoming Global Biodiversity Conservation Initiative, which was developed in a highly consultative process involving environmental NGOs, will pilot test one of the Agency's first LWA.

*Increased cross-Center collaboration.* G/ENV continued efforts that were initiated last year to develop cross-Center activities that promote integrated approaches to development. This year,

the Center awarded the Rural and Agriculture Incomes with a Sustainable Environment (RAISE) IQC, a partnership between G/EGAD and G/ENV. Intensive efforts to respond to recent natural disasters brought greater collaboration between OFDA and G/ENV. For the Agency's disaster reconstruction plan following Hurricane Mitch, G/ENV provided technical input on forestry, urban management and housing, sustainable energy, and climate change. In addition, preparations for the Global Climate Change Initiative required extensive collaboration between G/ENV and many operating units throughout the Agency. G/ENV and G/EGAD worked together to put the threat of global climate change and its impacts on sustainable food security and poverty alleviation on the agenda of the Consultative Group for International Agricultural Research (CGIAR).

### ***Negative FY98 Performance Factors***

*Declining budgets.* Budget cuts and a lack of discretionary funding have been two of the greatest impediments to planning strategically and to setting and achieving targets beyond a one-to-two year time horizon. While FY97 and FY98 Center budgets remained relatively stable, except for SSO2, G/ENV faces a 14 percent cut for FY99 (see Table 3). The addition of a new global climate change special objective and the earmarking of certain programs means that the cuts impact individual SSOs and IRs differently. The largest cuts affect programs in forest management (IR1.2), which experienced a 33 percent reduction; biodiversity conservation (IR1.1) and the urban environmental credit program (IR2.1), each of which suffered a 50 percent cut; and the reduced urban pollution program (IR2.3), which is unfunded for FY99. Cuts for SSO2 follow a previous 12.5 percent reduction in core funding in FY98.

While the precise impacts of these reductions are difficult to quantify over the long term, several immediate consequences are that existing technical staff positions will go unfunded and other positions may need to be eliminated. With staff resources already overstretched as a result of personnel cuts in previous years, G/ENV's ability to respond to requests from missions for field support and to provide leadership on key Agency priority areas will be compromised. These impacts are of special concern in light of customer survey findings that indicate G/ENV's top two strengths are providing technical assistance to missions and working in new program areas.

Clearly, programs that have been disproportionately affected by the reductions are at the highest risk for performing below anticipated targets. For SSO1, key technical positions will be unfilled in FY99. The Global Biodiversity Conservation Initiative, designed to address one of the Agency's top environmental objectives through innovative leader with associates cooperative agreements, will be funded well below anticipated levels. For SSO2, RUDO offices may be closed. The Urban Environment Credit Program (cut from \$3.0 million to \$1.5 million) will reach fewer urban poor. Cuts in the Making Cities Work initiative and the reduced urban pollution program will result in fewer municipalities and industries adopting the kinds of innovative approaches that won Agency recognition in India. Ultimately, advances made in recent years in biodiversity conservation and urban management will be jeopardized and potential contributions to mitigating climate change impacts may be foregone.

*International instability.* Unforeseen events around the world which lie outside of the Center's manageable interests were major impediments to the achievement of results for certain programs. To help the Agency respond to the natural disasters around the world, staff diverted their

attention away from managing the existing program in order to provide emergency assistance. Due to the civil unrest in Albania and Indonesia, environment programs were temporarily suspended. Following U.S. sanctions on India in response to nuclear testing, disbursements for G/ENV urban programs were delayed. The impacts of the Asia financial crisis have yet to fully

**Table 3: FY97-FY99 G/ENV Core Funding (\$ millions)**

SSO	FY97	FY98	FY99	Percent Change (FY98 to FY99)	Percent Change (FY97 to FY99)
SSO1 – Natural Resources	9.8	10.3	6.9	- 33%	-30%
SSO2 – Urban Programs	6.4	5.6	4.0	- 29%	-38%
SSO3 – Sustainable Energy	18.0	18.0	16.0	- 11%	-11%
SpO1 – Global Climate Change	0.0	0.0	2.4	NA	NA
Total	34.2	33.9	29.3	-14%	-14%

emerge; but in general, the Center found host-country partners unable to provide counterpart funding, and a general trend toward promoting economic recovery at the expense of environmental stewardship.

*Staff shortfalls.* Several SSOs were confronted with serious staff shortfalls this year. For example, SSO3 lost half of its direct hire staff during the course of the year. At the same time, remaining staff assumed new responsibilities as part of the Center's lead role in addressing the energy aspects of the Global Climate Change Initiative. While the staffing situation for SSO1 was not as acute, the team was unable to fill an existing technical position. FY99 cuts in the OE funding for SSO2 staff is forcing the Center to leave several overseas positions unfilled.

*Delayed contract actions.* The Center continued to enjoy improved relations with the Contract Office (OP) as a sense of teamwork between the two offices has grown over the last two years. However, despite OP's increased responsiveness and service orientation, G/ENV still noted that a shortage of OP staff caused significant contracting delays for several actions. In particular, IR3.3 remained without a contracting mechanism until the last month of FY98, and the water and sustainable urban management IQCs entered their second year in procurement without an award. The lack of available contracting mechanisms created a growing backlog of mission actions and impeded the Center from fulfilling its field support function.

### **Overall Prospects for Progress**

While many factors favor strong prospects for progress for the duration of the Center's strategy, such as the development of new IQCs and LWAs, the cut in budgets and staffing will limit the Center's ability to move forward should the downward trends continue beyond FY99. In an environment with declining budgets and additional responsibilities for GCC, the Center anticipates that its future performance will be mixed.

SSO3 is generally optimistic about its ability to achieve future targets. The policy environment for energy reform is strong. New partnerships between U.S. and overseas energy utilities are leading to technology transfer. Emphasis on global climate change mitigation is creating strong political momentum for sustainable energy activities. The SSO1 and SSO2 teams, having experienced much sharper budget reductions than SSO3, are less sanguine about their ability to take advantage of what continues to be an equally favorable external climate for results achievement. While the two teams have been consistently performing on or beyond targets for the last three years, less money will inevitably lead to fewer results and the need to lower target projections.

## **STRATEGIC SUPPORT OBJECTIVE 1: INCREASED AND IMPROVED PROTECTION AND SUSTAINABLE USE OF NATURAL RESOURCES, PRINCIPALLY FORESTS, BIODIVERSITY, FRESHWATER AND COASTAL ECOSYSTEMS, AND AGRICULTURAL LANDS**

### **SSO1 Summary**

Meeting or exceeding its three higher-level indicators of progress towards results, the SSO1 team managed activities to increase and improve the protection and sustainable use of natural resources in 36 countries and regions in FY98. Performance results include *improved* management of 14.2 million hectares of forests, coastal systems and other biologically important habitats, as well as 1.1 million hectares under *effective* management. The latter indicator is only attributed to areas with demonstrable biophysical improvements that are under the management of a community or organization with demonstrated local institutional ability to monitor and respond to threats and opportunities. In addition, SSO1 team efforts accounted for a total of 15 policy successes in this performance year.

While striving to achieve these performance targets, the SSO1 team has also sustained efforts to refine its results framework to more accurately capture results being pursued and to enhance performance monitoring. As a result, common criteria have been established for claiming sites under *effective* management for all intermediate results (IR) teams; a common site management index worksheet has been created for tracking activities on land claimed under *improved* management; and the same definition for what constitutes a policy success is shared by all teams.

SSO1 contributes to improving environmental quality with five IR teams devoted to supporting conservation of biologically important areas, demonstrating sustainable forest management, integrating coastal and water resources management across economic sectors, developing sound stewardship of agricultural production systems, and promoting environmental education and broad-based participation and advocacy in environmental issues by civil society. SSO1 activities have strengthened public and private organizations' management ability, fostered innovative public-private partnerships, and established mechanisms for long-term conservation financing.

Key beneficiaries include citizens of local communities who become more effective managers of their natural resources. Nongovernmental organizations improve their capacity and effectiveness in implementing conservation programs through institutional strengthening initiatives and receipt of small grants. Host country governments profit too, as G/ENV, working with missions, strengthens their capacity to formulate and implement effective natural resource policies and programs. Both developed and developing countries benefit as biodiversity is conserved, forests are more sustainably managed, freshwater and coastal ecosystems are brought under improved governance, and the threat of global climate change is reduced.

### **Key Results**

#### **IR1.1 Effective Biodiversity Conservation and Management**

The biodiversity team has helped 22 countries to achieve on-the-ground management improvements to conserve some of the most biologically critical habitat in the world. In Brazil, for example, support for organizations working to conserve the globally unique Atlantic Forest

demonstrates how the program's participatory and integrated approach to biodiversity conservation is achieving results. Under this activity, USAID supports the Brazilian NGO Institute of Socio-Environmental Studies of South Bahia (IESB) in the effective management of over 7,300 hectares in the *Una* Biological Reserve. Aerial photos show a net gain of healthy managed forest in the area in the last 10 years. G/ENV also supported IESB work that helped create a new 7,000-hectare state park that doubled the area of Atlantic Forest under protected status.

#### IR 1.2 Improved Management of Natural Forests and Tree Systems

The forestry team's focus is to improve land management systems through technology development and transfer. Team support has trained over 200 technicians and company managers in reduced impact harvesting techniques that significantly lower collateral damage to forests compared to conventional harvesting. In the Philippines, our partner, the International Center for Research in Agroforestry (ICRAF), helped organize conservation districts involving more than 700 households spread over 8,000 hectares to use natural vegetative strips and trees to stop erosion in upland watersheds. In addition to site-based work, G/ENV support for ICRAF resulted in a key policy change in Indonesia, despite widespread civil unrest. The government has recognized the tenure rights of the Krui minority to 29,000 hectares of agroforestry systems that they established and have maintained over the last century. The decree's recognition of the environmental and social benefits of this indigenous land-use system and the critical role of community involvement in sustainable land management sets a precedent for other Indonesian communities for gaining tenure rights.

#### IR 1.3 Environmental Education and Communication

The environmental education and communication (EE&C) team supports program implementers who work closely with counterparts in over 10 countries to increase local capacity in the design and delivery of EE&C programs. In an activity with international impact, the program worked with water ministries and agencies of five parties to the Middle East Peace Process to develop and distribute children's videos on water conservation. The IR team also worked with ministries of the environment and of education in the LAC and ANE regions on a variety of environmental media campaigns, awards programs, interpretive materials, and school curricula.

#### IR 1.4 Increased Conservation and Sustainable Use of Coastal and Freshwater Resources

The water team's global coastal resources management program (CRM II) developed Indonesia's first community-based marine park and launched Tanzania's national coastal policy initiative, a pioneering effort in East Africa. It also produced a community strategy for coastal development in Xcalak, Mexico, that is being used as a national model as well as a regional approach for the Meso-American Coral Reef Initiative. These achievements highlight CRM II's focus on improving coastal governance, which strengthens both conservation and democratization as essential elements of sustainable development.

### Performance and Prospects

Cumulative SSO1 team performance was "on-track" for area under *effective* management, "exceeded" targets for area under *improved* management, and was "on track" for policy successes. With a total of 12.4 million hectares, the IR 1.1 team "exceeded" targets for area under *improved* management. It was "on track" for its performance targets of area under *effective* management with 861,000 hectares, and was "on-track" for meeting its target of 10 policy



successes. The IR 1.2 team was "on track" for both of its performance targets of area under *effective* management and area under *improved* management. It established a baseline of three policy successes as well. Overshadowing these efforts to meet planned performance targets are the forestry team's activities responding to forest fires in Mexico, Brazil, Southeast Asia, and Russia. Although the reactive nature of this work does not fit well in a strategic framework, it is nevertheless an important contribution to many of the Agency's goals, such as reducing greenhouse gas emissions. IR 1.3, Environmental Education and Communication, was "on-track" for meeting its main indicator target of 34 agencies, institutions, and NGOs where EE&C strategies, methods, and tools have been tested and applied systematically in environment-related programs. While IR 1.4 technically "exceeded" both its targets for area under *effective* and under *improved* management, much of the increase above "on-track" target levels is due to refinement of indicator definitions and collection of better information on area of specific field sites.

### **Value-Added Performance**

SSO1 team value-added performance was mixed. For technical assistance to missions, the target for number of missions was "on-track," but the actual TDY days total was less than half than the number planned. While investigating the cause of this sharp drop, the team identified a discrepancy in how TDYs were counted last year versus this year. Last year, staff counted their own TDY days using a definition that included preparation for, and subsequent follow-up to, a TDY, plus the actual time spent on TDY. This year, only time spent on TDY is being counted; new target TDY days will be revised to reflect this new definition.

Value-added targets for total amount and mission buy-ins were both "exceeded." A total of 26 missions and bureaus bought into SSO1 procurement vehicles, exceeding the target of 16 by 10 operating units; total buy-ins of \$33.11 million "exceeded" the target of \$25.29 million by \$7.82 million. As the number of SSO1 IQCs grows, the total amount of buy-ins should continue to rise. The number of Agency and international policies, strategies, programs and projects reflecting G/ENV leadership did not meet targets set for this year. For Agency leadership, a total of 14 results were attained versus the target of 35, while for international leadership, 18 of the targeted 46 policies, strategies or programs were completed. Despite missing targets for this year, the value-added accomplishments of the SSO1 team have immediate and long-lasting impact on efforts to improve management of biologically important habitat in a number of countries. For example, G/ENV staff:

#### *Agency Leadership*

- Led an interdisciplinary, inter-bureau team to prepare a 68-page primer, *Performance Monitoring of USAID Environment Programs: An Introduction to Performance Monitoring and a Review of Current Best Practice*. The primer was disseminated to all USAID missions in an effort to improve the Agency's environmental monitoring.
- Coordinated the large-scale, OFDA-funded emergency response to forest fires in Mexico (over 1,000 person days involving 50 forest experts). Follow-on work included USFS collaboration with SEMARNAP and the North American Forestry Commission to design a comprehensive fire prevention and restoration program.
- Provided technical assistance within Washington to the development of the Agency GCC Initiative indicators and to missions in Brazil and Madagascar for reporting on these indicators.

- Produced *A Strategic Plan for Integrated Water Resources Management in USAID*, a first-ever framework for outreach and learning through support of model water management approaches in cooperating countries and regions.

#### *International Leadership*

- Promoted the USG position at the Commission on Sustainable Development (CSD) meeting on water resources management to incorporate an ecosystems-based approach which considers aquatic biodiversity as an essential component to the broader water resources management framework. In addition, G/ENV worked to ensure that the Convention on Biological Diversity (CBD) and the CSD operate in a coordinated and complementary fashion with regard to water resources management.
- Represented the Agency at the USIJI and Interagency Working Group, Sinks Subgroup and provided technical review of several USIJI Pilot projects.
- Funded an inventory of the CGIAR system's research relevant to climate change that has resulted in formation of a CGIAR working group to assess lessons learned and to identify strategies for future research relevant to climate change.
- Advanced U.S. interests through the ongoing facilitation of a regional public awareness program with water ministries and agencies of five Parties to the Middle East Peace Process on water conservation, including developing and introducing local videos on the wise use of water targeted to youth.
- Collaborated on joint activities with NOAA to help mitigate the atmospheric impact of forest fires in Indonesia and Mexico and demonstrate the potential for building capacity to monitor and predict seasonal weather patterns in USAID client countries. This is expected to become a key component of USAID's increasing commitment to natural disaster preparedness.

#### *Field Support*

- Following a three-year collaborative effort with USAID/Philippines, staff helped develop performance indicators for community-based forest management activities that resulted in communities at nearly 50 sites setting forest conservation targets, including monitoring forest cover. This is the first time that communities are determining their own management and biophysical targets and systematically monitoring biophysical trends.
- The US Forest Service provided over 250 person days of technical assistance through our interagency agreement (IAA) to USAID/Honduras to aid the Mission in forest, wildlife and road planning as well as reviewing and evaluating ongoing programs. In Guatemala, this agreement facilitated 57 person days of assistance in evaluation and fire training for the mission. In Nicaragua, the IAA provided 71 person days of assistance to the mission to help with training and technical assistance in planning and remote sensing applications.
- The EE&C team supported collaborative efforts with the El Salvadoran Ministry of Environment and Natural Resources to implement national and regional media campaigns on water resource management, and conducted a national environmental awards program for journalists.
- Low-impact tourism guidelines were introduced into private and public development plans for Mexico's threatened Quintana Roo coast. Sustainability considerations now guide cooperation between coastal communities and national authorities and are beginning to influence tourism development in neighboring Central American countries.

**Performance Outlook**

The impressive performance results achieved to date reflect well-established programs progressing as expected that are financed with a mix of core and mission/bureau buy-in funds. However, as Center core funding levels drop in FY99 and possibly in subsequent years, these programs will rely more heavily on IQCs with unpredictable funding levels. This uncertain funding will affect the value-added nature of the Center and restrict the ability of the IR teams to strategically respond to threats and opportunities to further the objective of increased and improved protection and sustainable use of natural resources. With the recently announced budget cuts, the performance outlook for SSO1 is not optimistic. These reductions ultimately undermine the Center's mandate of providing technical leadership and support to missions. Current performance targets are based on funding levels requested in the FY00 Congressional Presentation and will have to be revised accordingly. SSO1 faced delays in filling key technical staff positions in biodiversity and forestry, and now will not be able to fill an existing position. Forestry funds are insufficient to provide short-term technical assistance in community forest management and degraded lands; attention to these activities can reduce threat of fires, while their neglect leads to more problems, such as increased risk of forest fires and a more unstable climate.

**Possible Adjustments to Plans**

As stated earlier, the SSO1 team has been retooling its results framework with input from its collaborators and implementers. Because of their relative low importance and questionable value to tracking results, many lower-level indicators have been discontinued with more attention being paid to higher-level SSO and IR indicators. More details on these changes are provided in the individual IR team annexes. "Sustainable Management of Natural Resources in Agricultural Production Systems" is a new IR team added to the SSO1 results framework this year. Cooperatively managed with G/EGAD, this new IR for achieving the twin objectives of raising incomes while protecting the environment is a good example of synergy between Centers.

**G/ENV and Partner Contributions to Results Achievement**

SSO1 is evaluating competitive bids for new biodiversity and forestry, and integrated water resources IQCs which it plans to begin implementing in FY99. Planning is underway for the development of a new contract to provide environmental education and communication support in FY00. In addition, the Center is launching a new global biodiversity conservation program that will encourage more partnerships between USAID and NGOs through the competitive awarding of "leader with associates" cooperative agreements. A new major contract mechanism is the RAISE IQC for sustainable agriculture.

G/ENV development partners include: NGOs based in the U.S. (Conservation International, the Nature Conservancy, Tropical Forest Foundation, World Resources Institute, World Wildlife Fund, and others), host country NGOs, the University of Rhode Island and other academic institutions, international research centers (Center for International Forest Research, International Center for Living Aquatic Resources Management, International Center for Research in Agroforestry), consulting firms (Academy for Educational Development, Associates in Rural Development, Chemonics International, Development Alternatives, Inc., and others), and other U.S. Government

agencies (Department of the Interior, National Oceanic and Atmospheric Administration, Peace Corps, U.S. Forest Service, and others).

USAID leverages increased investments in sustainable natural resources management from countries, donors and the private sector. For example, the International Tropical Timber Organization (ITTO) and the G7 awarded two, \$1 million grants to G/ENV partners, the Tropical Forestry Foundation and CIFOR, to continue reduced impact harvesting training initiated by G/ENV.

**Table 4: SSO1 Performance Summary**

SSO and IR-level Indicators				
Indicator	IR Team	Planned	Actual	Progress
Area Under <i>Effective</i> Management	1.1	800,000	861,000	On-track
	1.2	60,600	59,400	On-track
	1.4	137,229	227,863	Exceeded
<b>TOTAL</b>		<b>997,829</b>	<b>1,148,263</b>	<b>On-track</b>
Area Under <i>Improved</i> Management	1.1	11,000,000	12,400,000	Exceeded
	1.2	1,000,000	911,845	On-track
	1.4	810,762	894,196	Exceeded
<b>TOTAL</b>		<b>12,815,762</b>	<b>14,206,041</b>	<b>Exceeded</b>
Policy Successes	1.1	10	10	On-track
	1.2	Baseline*	3	
	1.4	2**	2	On-track
<b>TOTAL</b>		<b>12</b>	<b>15</b>	<b>On-track</b>
SSO Value-Added Indicators				
		Planned	Actual	Progress
Field Support Technical Assistance				
Number of Missions/Bureaus		31	28	On-track
TDYs (person-days)		1,100	399***	Fell short
Field Support Contracting Vehicles				
Number of Missions/Bureaus		16	26	Exceeded
Dollar Amount of Buy-ins (millions)		25.29	33.11	Exceeded
Agency Leadership		35	14	Fell short
International Leadership		46	18	Fell short
Comments: On-track and exceeded designations are assigned to those results within ten percent or over ten percent of the target, respectively. IR 1.3 activities strengthen and ultimately contribute to progress towards these results, but are not directly tracked by these indicators. * Policy successes for IR 1.2 are baseline for this year, however targets would have been met even if these policies were not included. ** Target adapted from lower level IR 1.4.1, 'Improved strategies and policies for ICM.' The PMP will be amended and targets revised upward to reflect the changes. *** See comment section of Value-Added Performance Data Tables for explanation				

## SSO1 Performance Data Tables

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR		
RESULT NAME: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
INDICATOR: Area of biologically important habitat under <i>effective</i> management				
UNIT OF MEASURE: Hectares (ha)		YEAR	PLANNED	ACTUAL
SOURCE: Field visits and evaluations				
INDICATOR DESCRIPTION:  Two key conditions must be met for areas to be considered under <i>effective</i> management: (1) habitat quality is maintained or improved and/or the rate of habitat degradation is reduced; and (2) institutional ability to monitor and respond to threats and opportunities (adaptive management) is demonstrated.  Results are cumulative.  COMMENTS: *This is baseline data for IR 1.1 only. **This includes baseline data for IR 1.2 and 1.4		1996	Baseline*	463,010
		1997	630,000**	872,070
		1998	997,829	1,148,263
		1999	1,205,363	
		2000	7,558,843	

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR	
<b>RESULT NAME:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>INDICATOR:</b> Area of biologically important habitat under <i>improved</i> management			
<b>UNIT OF MEASURE:</b> Hectares (ha)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Field visits and evaluations			
<b>INDICATOR DESCRIPTION:</b>  Biologically important habitat is considered under <i>improved</i> management when any of the following steps in site management occurs: site assessment is completed; site/action plan is developed; institutional/community capacity is strengthened; a legal Framework is in place; site management activities are initiated; or monitoring and evaluation is initiated.  Results are cumulative.  <b>COMMENTS:</b>	1996	Baseline	11,225,200
	1997	11,732,777	12,141,977
	1998	12,810,762	14,206,041
	1999	139,463,507	
	2000	140,848,507	

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR	
<b>RESULTNAME:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>INDICATOR:</b> Documented improvements in biodiversity conservation as a result of strengthened policies or <i>improved</i> policy implementation			
<b>UNIT OF MEASURE:</b> Number of policy successes	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Reports from partners			
<b>INDICATOR DESCRIPTION:</b>  Policies include laws, regulations, decrees, and agreements — adopted and organization —which support the conservation and management of biodiversity. Policies can be designed and implemented at local, regional, national, and international levels. Internal policies of conservation NGOs would not be included in this total. Policy successes are documented examples where G/ENV-supported efforts to improve policies or policy implementation have directly contributed to on-the-ground biodiversity conservation.  Results are reported annually and <b>are not cumulative</b> .  <b>COMMENTS:</b>  *This was baseline for 1.1 only ** This includes baselines numbers for IR 1.2.	1996	Baseline*	18
	1997	16	28
	1998	28**	43
	1999	52	
	2000	53	

## SSO1 Value-Added Performance Data Tables

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR	
RESULT NAME: SSO1 technical assistance used by Missions			
VALUE-ADDED INDICATOR: SSO1 field-based assistance (TDYs) provided in response to Mission/Bureau requests			
UNIT OF MEASURE: (a) Number of Missions; (b) person-days	YEAR	PLANNED	ACTUAL
SOURCE: G/ENV/DAA			
INDICATOR DESCRIPTION:  Includes TDYs only by DH, RSSA, AAAS, or counterpart staff, using SSO1 funds, to support USAID missions. TDYs financed by Missions, Bureaus, or cooperators would NOT be counted.  COMMENTS:  Much of the IR 1.2 forestry team work is accomplished through interagency agreements and is not represented in these totals.  We have identified a discrepancy in how TDYs were counted last year versus this year. Last year, staff counted their own TDY using a definition that included the preparation for and subsequent follow-up to, plus the actual time spent on TDY. This year, only time spent in-country on TDYs is being counted. Following brief discussions with staff, it was agreed that preparation and follow-up time is usually equivalent to the time spent on TDY, so in that regard, the TDY person-days target would have almost been met using the old definition (i.e., 982 days vs. 90% of target number of 990). The target TDY days will be revised to reflect this new definition.	1997	Baseline	a. 31
			b. 1,102
	1998	a. 31	a. 28
		b. 1,100	b. 399
	1999	a. 31	a.
		b. 1,100	b.
	2000	a. 31	a.
		b. 1,100	b.
	2001	a. 31	a.
		b. 1,100	b.
	2002	a. 31	a.
		b. 1,100	b.
	2003	a. 31	a.
		b. 1,100	b.



OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR	
RESULT NAME: SSO1 contracting vehicles utilized by missions/bureaus			
VALUE-ADDED INDICATOR: Mission buy-ins, add-ons, OYB transfers, IQC task orders, and managed orgs.			
UNIT OF MEASURE: (a) Number of Missions; (b) U.S. dollars (millions)	YEAR	PLANNED	ACTUAL
SOURCE: G/ENV/DAA			
INDICATOR DESCRIPTION:  Number of missions and U.S. dollars, by fiscal year, corrected by carry-overs from preceding and to subsequent years. Values by fiscal year as determined by official Center records.  COMMENTS: The SSO1 team underestimated the number of missions buying into their mechanisms and the total amount of buy-ins. Demand for IQCs is inherently difficult to judge, but as this is becoming the mechanism of choice, IQC managers will have to face the challenge of monitoring performance of these mechanisms in future performance years.  EPIQ buy-ins directly related to natural resources management represent \$5.9 million of the total buy-ins and came from 6 of the missions/bureaus listed.	1997	Baseline	a. 16
			b. 25.29
	1998	a.16	a. 26
		b. 25.29	b. 33.11
	1999	a.16	a.
		b. 25.29	b.
	2000	a.16	a.
		b. 25.29	b.
	2001	a.16	a.
		b. 25.29	b.
	2002	a.16	a.
		b. 25.29	b.
	2003	a.16	a.
		b. 25.29	b.

<b>OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands</b>			
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION: G/ENV/ENR</b>	
<b>RESULT NAME:</b> Agency environmental objectives advanced within USAID through G/ENV technical leadership and field support.			
<b>VALUE-ADDED INDICATOR 3:</b> Number of USAID policies, strategies, and programs reflecting G/ENV leadership.			
<b>UNIT OF MEASURE:</b> Number of USAID policies, strategies and programs	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Individual IR teams			
<b>INDICATOR DESCRIPTION:</b>  Reflects field support assistance provided to missions and regional bureaus and at the request of the State Department for regional initiatives funded through G/ENV core resources. To be counted, a mission, bureau, or USAID initiative must have received substantial SSO1 team support, and a substantive change in policies, strategies, and/or programs must have resulted from this support.  <b>COMMENTS:</b>  Please see accompanying table for listing of SSO1 value-added accomplishments.	1997	Baseline	35
	1998	35	14
	1999	35	
	2000	35	
	2001	35	
	2002	35	
	2003	35	

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR	
RESULT NAME: Agency environmental objectives advanced in international forums through G/ENV international leadership			
VALUE-ADDED INDICATOR 4: Number of international policies, strategies, programs, and projects reflecting G/ENV leadership			
UNIT OF MEASURE: Number of international policies, strategies and project. May include international conventions, multilateral development bank and other donors, and United States Government initiatives	YEAR	PLANNED	ACTUAL
SOURCE: Individual IR teams			
INDICATOR DESCRIPTION:  To be counted, an international convention, multilateral development bank, other donor, or United States Government initiative must have received substantial SSO1 team support. The figure reported is aggregated from each high-level IR  COMMENTS:  Please see accompanying table for listing of SSO1 value-added accomplishments.	1997	Baseline	46
	1998	46	18
	1999	46	
	2000	46	
	2001	46	
	2002	46	
	2003	46	

## SSO1 Team Value-Added Agency and International Leadership

Below are enumerated descriptions detailing **Value-Added** accomplishments for SSO1.

### *Agency Leadership*

1. Led an inter-bureau working group to develop land-use indicators as part of the Global Climate Change Initiative's performance monitoring plan.
2. Finalized a new cooperative agreement with Conservation International to launch the Biodiversity in Regional Development Program, which will promote effective management and conservation at a regional level in Bolivia, Brazil, Indonesia, and Papua New Guinea.
3. Contributed to an interdisciplinary, inter-bureau team to prepare a 68-page primer, *Performance Monitoring of USAID Environment Programs: An Introduction to Performance Monitoring and a Review of Current Best Practice*. The primer was disseminated to all USAID missions in an effort to improve the Agency's environmental monitoring.
4. Organized a series of consultations with leading U.S. conservation organizations to improve USAID's understanding of NGO programs, concerns, and directions. The consultations served as a basis for developing a framework for the biodiversity team's upcoming Global Conservation Initiative. Based on this consultative process, the Agency and NGOs reached a common understanding on biodiversity priorities for the future and strengthened their partnership to work toward these objectives.
5. Provided guidance to several high-profile USG tasks: preparation of a White House/National Security Council briefing paper on global forest fires; assistance to the White House to plan the wildlife and Botswana components of the President Clinton's Africa trip; and membership on the State Department's Task Force on Amphibian Decline and Deformation.
6. Identified conservation priorities for USAID support to Vietnam.
7. Coordinated the large-scale, OFDA-funded emergency response to forest fires in Mexico (over 1,000 person days involving 50 forest experts). Follow-on work included USFS collaboration with SEMARNAP and the North American Forestry Commission to design a comprehensive fire prevention and restoration program.
8. Provided technical assistance within Washington to the development of the Agency GCC Initiative indicators and to missions in Brazil and Madagascar for reporting on these indicators.
9. Played a leading role in tracking international policy, participated in the development of national policy and has helped interpret and present information for the Agency concerning the issue of carbon sinks in the international response to climate change.
10. Supported new Executive Order on Coral Reef Protection that resulted in strong USAID collaboration with the State Department and other federal agencies to address international trade and protection of coral reef species as a component of U.S. foreign policy.
11. Assisted USAID/Jamaica to advance the mission's new "Ridge to Reef" environmental SO featuring advanced, integrated approaches to coastal and water resources management as the centerpiece of the Caribbean Regional Environmental Strategy.
12. Facilitated technical partnership with NOAA introduced seasonal forecasting of droughts, floods and other hydrologic stresses as a major thrust of the South East Asia Environmental Initiative in the area of capacity development that was sponsored by the State Department and the USAID Asia-Near East Bureau.

13. Implemented Global Bureau Joint Action Incentive Fund (JAIF) activities in Morocco, Jamaica, and El Salvador to bolster decentralized management of water resources as a critical element of USAID environmental programs in those countries.
14. Produced a “Strategic Plan for Integrated Water Resources Management in USAID”—a first-ever framework for outreach and learning through support of model water management approaches in cooperating countries and regions.

#### *International Leadership*

1. Facilitated discussions between USAID and the World Bank on environmental issues in Colombia.
2. Worked with the Consultative Group on Biological Diversity (CGBD), a coordinating secretariat for U.S. private donor groups on biodiversity issues, to increase public awareness on the issues related to the impact of invasive species on biodiversity and the global decline of fisheries. Also, G/ENV specialists provided advice to the CGBD on strengthening the institutional capabilities of endowed granting-making organizations.
3. Promoted the USG position at the Commission on Sustainable Development (CSD) meeting on water resources management to incorporate an ecosystems-based approach which considers aquatic biodiversity as an essential component to the broader water resources management framework. In addition, G/ENV worked to ensure that the Convention on Biological Diversity (CBD) and the CSD operate in a coordinated and complementary fashion with regard to water resources management.
4. Leveraged \$3.85 million in funds from Emergency Strategic Funds from the State Department for post-fire work in Indonesia.
5. Performed regional analysis of South East Asian disaster response under the Regional Haze Plan. Made recommendations for strengthening of coordination in the whole region.
6. Supported CIFOR’s development of a methodology for determining criteria and indicators for sustainable forestry on the management unit scale in Indonesia, Cote d’Ivoire, Brazil, and Cameroon. Lessons were brought home in 1998 at the North American test in the Boise National Forest in Idaho that assembled specialists representing private and public interests from Mexico, Canada, and the U.S. to assess the usefulness of the current iteration of CIFOR’s methodology.
7. Presented the Agency’s GCC Initiative to the Central American missions and their partners at the biannual PROARCA roundtable last spring and to representatives of the European Union at the spring donor’s meeting in Washington.
8. Represented the Agency at the U.S. Initiative on Joint Implementation (USIJI) and Interagency Working Group, Sinks Subgroup and provided technical review of several USIJI pilot projects.
9. Funded an inventory of the CGIAR system’s research relevant to climate change that has resulted in formation of a CGIAR working group to assess lessons learned and identify strategies for future research relevant to climate change.
10. Supported IUCN study on community forestry aimed at increasing the importance of this issue on the International forestry Foundation (IFF) agenda.
11. Supported preparation of summary paper on *Major Meliaceae* in Nicaragua to serve as a contribution to the CITES debate.
12. Supported and helped plan the biennial IITF Caribbean Foresters meeting in the Dominican Republic, June 1998. This year’s theme was “Biodiversity in the Caribbean: Its Management

- and Benefits”. In addition to the regional foresters, this meeting had presentations by TNC and the USFS.
13. Supported US interests through the ongoing facilitation of a regional public awareness program with water ministries and agencies of five Parties to the Middle East Peace Process on water conservation, including developing and introducing local videos on the wise use of water targeted to youth.
  14. Joint activities with NOAA helped mitigate the atmospheric impact of forest fires in Indonesia and Mexico and demonstrated potential for building capacity to monitor and predict seasonal weather patterns in USAID client countries. This is expected to become a key component of USAID’s increasing commitment to natural disaster preparedness.
  15. The hydrologic and weather forecasting capabilities of NOAA helped advance the World Bank’s Nile Basin Initiative; water sector activities under the U.S.-South Africa Binational Commission; and the State Department’s East Asia-Pacific Environmental Initiative.
  16. G/ENV served as a member of the Convention on Combating Desertification Governance Bureau until the first Conference of Parties and head of the U.S. delegation to the Conference of Parties. Although the U.S. is not a party, during this period, the U.S. delegation was successful at assisting to determine and draft language which reflected the U.S. position on the functions for the Global Mechanism. The Global Mechanism was created to increase the efficiency and effectiveness of existing financial mechanisms used to combat desertification and the effects of drought.
  17. Within the forest arena, G/ENV staff successfully negotiated the G-8 forest action program (with other G-8 countries: United Kingdom, Japan, France, Germany, Italy, Canada, and Russia), with specific responsibility for negotiating and securing the USAID and USG position on priority areas for donor assistance. These areas include monitoring and assessment; national programs for sustainable forest management; and illegal logging.
  18. Within the International Tropical Timber Organization (ITTO), G/ENV staff coordinated the approval and co-financing of producer country projects in USAID-assisted countries. Staff also participated in the expert panel on project development and was successful at coordinating the objectives and indicators for ITTO projects consistent with those of USAID.

## **STRATEGIC SUPPORT OBJECTIVE 2: IMPROVED MANAGEMENT OF URBANIZATION IN TARGETED AREAS**

### **SSO2 Summary**

The purpose of SSO2 is to improve the living conditions of the urban poor by increasing the availability of affordable shelter and environmental infrastructure, improving the management capacity of local governments, and reducing urban pollution. SSO2 provides technical assistance, credit mechanisms, training, and exchange of information that enables host countries to improve their ability to successfully manage the urbanization process. Residents of low-income urban neighborhoods, especially children whose chance of survival is enhanced through access to clean water and sanitation, are the direct beneficiaries of SSO2's activities.

SSO2 is comprised of three intermediate results:

- Expanded and equitable delivery of urban environmental services and shelter
- More effective local governments
- Reduced urban pollution

G/ENV/UP and its eight regional offices, working with more than 44 missions and regional bureaus worldwide, use the four following approaches to achieve this objective: (1) introducing policy and regulatory reform through demonstration projects, changes in fiscal planning, and market-oriented initiatives; (2) expanding international and domestic financial resources available for investment in services and shelter; (3) expanding the private sector role in service delivery; and (4) strengthening local government's role in urban development. Work with municipal governments includes improving financial management practices, improving institutional capacity to plan and deliver municipal services, promoting the transparency and reliability of inter-governmental transfers, and enhancing local government accountability. SSO2 focuses efforts to reduce urban pollution through improved municipal pollution management and improved industrial pollution management.

### **Key Results**

G/ENV/UP and the eight Regional Urban Development Offices (RUDOs) worked with more than 140 municipalities and 17 national associations of municipalities during FY98. G/ENV/UP provided technical assistance and field support was responsive to both natural and man-made crises. RUDO/Jakarta has played a central role in coordinating policy framework activities of the Asian Development Bank and the World Bank, and is providing technical assistance to the Government of Indonesia (GOI) to improve municipal access to finance for urban infrastructure. The economic and political crisis in Indonesia has essentially halted private investment in urban infrastructure. Responding to the need for both temporary jobs and continued investment in infrastructure, RUDO/Jakarta worked with the GOI to program GOI and donor funds to construct urban infrastructure, with an emphasis on labor-intensive infrastructure. The CLEAN-Urban project generated 4,000 jobs between July and September 1998 in East Java through 205 small infrastructure works projects, including drainage systems, sanitation facilities, garbage collection sites, small scale water systems, and community footpaths in areas affected by the economic crisis. While improving urban infrastructure and providing temporary jobs in the short-term, G/ENV/UP's support to the GOI will help improve the policy and procedural framework for

publicly financed infrastructure, and help improve the capabilities of local governments to attract private investment in infrastructure when the economy revives.

Hurricane Georges struck the eastern Caribbean, including the islands of St. Kitts and Nevis, Antigua and Barbuda, the Dominican Republic, and Haiti, in September 1998. The storm resulted in infrastructure damage and loss of life throughout the region, particularly in the Dominican Republic and Haiti. G/ENV/UP led the first inter-agency team to the area to assess storm damage and develop an action plan involving five USG agencies and focusing on helping local governments recover from storm damage. In the Dominican Republic, RUDO/LAC organized discussions between bankers and NGOs on housing reconstruction, and helped the Mission develop a results package to utilize a revolving loan fund to provide small loans to families left homeless as a result of Hurricane Georges.

RUDOs have made notable advances in a number of areas supporting local governments in the past year. Perhaps most significant have been the efforts at increasing the capacity of targeted local governments as they strive to provide more efficient, equitable, and effective municipal services. RUDOs have worked on the development of financing instruments and structures that facilitate increased investment in urban services and shelter. RUDO/Pretoria supported a comprehensive and definitive study on the constraints on municipal access to capital markets, and helped the Government of South Africa prepare a Municipal Borrowing Bill to address the obstacles identified. In addition, RUDO/Pretoria supported the development of two new infrastructure finance entities in South Africa. In Indonesia, the CLEAN-Urban project prepared integrated capital budgeting programs for four cities and three water authorities, and worked with these cities and water authorities to analyze their debt carrying capacity and improve capital budgeting. In India, the first public/private partnership environmental infrastructure project involving a Build-Operate-Transfer (BOT) is in the final stages of contracting. In addition, technical assistance and training support through the Financial Institutions Reform and Expansion (FIRE) project have helped Credit Rating Information Services Limited conduct a credit rating of key municipalities in the states of Andhra Pradesh and Kerala.

G/ENV/UP has led a two-year process of consensus building to internalize an urban perspective within USAID's broader development activities. This process culminated in the Administrator approving the "Making Cities Work" strategy during FY98. This strategy builds on lessons learned from ongoing urban and urban-related programs and from considerable Agency successes in dealing with urbanization. The thrust of "Making Cities Work" is to work with receptive Missions to critically evaluate the role of urban areas in a country's development process and, where appropriate, jointly target specific cities and/or urbanizing regions. A key recommendation of the strategy is increasing the Agency's internal capacity to monitor and address urban challenges. To this end, G/ENV/UP initiated its "Cities Matter: Principles and Practices of Local Government" training program during FY98. Nearly 60 USAID staff members participated in two separate five-day training courses that addressed local government structure, organizational development, citizen participation, and financing.

During FY98, nine new partnerships between cities in the U.S. and cities in developing and transitional countries were established through G/ENV/UP's Resource Cities Program. This program provides developing and transitional countries with technical advice and opportunities



to collaborate with U.S. city managers on urban service delivery and organizational issues such as solid waste collection, economic development, and environmental management. By the end of FY98, the Resource Cities Program was supporting 31 partnerships in 13 countries. Two-thirds of these partnerships are now fully funded by Missions. In September 1998, more than 50 city managers and mayors from across the United States met in Washington to commemorate the efforts of their partnerships and provide USAID and ICMA feedback on the Resource Cities Program. Six members of Congress attended the conference to express their support for the program.

The Urbanization, Population, and Environment Joint Action Implementation Fund (JAIF) activity is a collaborative effort between G/ENV/UP, G/PHN, G/PDSP, the Comparative Urban Studies Program, and the Environmental Change and Security Project of the Woodrow Wilson Center. This activity supports research, meetings, and publications focusing on the connection between urbanization, population growth, environmental scarcity, and international security. The goal is to consider urban problems within an international security framework exploring specifically what elements of urbanization contribute to social conflict or political instability and how that conflict or instability might affect the international community. Critical issues for examination include urban violence and crime, conflict over environmental resources, migration, population growth, environment and public health, urban water supply, housing, and urban governance. During FY98, two working group meetings were held, bringing together a diverse group of top international urban researchers and practitioners. Through research, collaboration, and dissemination of cross-cutting urban research, G/ENV/UP is promoting the use of innovative approaches to the challenges of urbanization.

### **Performance and Prospects**

Overall, SSO2 performance is on-track. G/ENV/UP's SSO2 team assessed progress for FY98 at the SSO level using two quantifiable indicators: "Number of households provided with access to urban environmental infrastructure and shelter solutions" and "Number of industries integrating pollution prevention/clean production (P2/CP) concepts and technologies into their daily operations and manufacturing processes." Results for the number of households benefiting from improved urban environmental infrastructure and shelter were lower than expected. Due entirely to exogenous, non-programmatic reasons, G/ENV/UP captured 87 percent of its target. During FY98, 506,085 households benefited from improved infrastructure and shelter, compared with a target of 579,000 households. This was due to much lower levels of loan disbursements (or borrowings) than planned through the Urban and Environmental Credit Program. The target of 579,000 households was based on \$155 million in disbursements occurring; however, only \$83 million was disbursed during FY98. Lower levels of disbursements were due to three factors outside of USAID's control: (1) the Asian economic crisis delayed a planned disbursement in Indonesia, (2) a planned disbursement in India was delayed due to sanctions imposed by the U.S. Government in response to nuclear testing in May 1998, and (3) an unexpected bank merger delayed a planned borrowing in South Africa. None of these three events could have been affected by the management of the credit program itself. The lower results are not a function of any problems in the credit program or the SSO2 performance overall.

SSO2 exceeded its target for reduced urban pollution: 141 cleaner production policies and manufacturing processes were adopted by industrial facilities in Bolivia, Ecuador, Egypt,

Indonesia, Jamaica, Mexico, Paraguay and Peru, compared with a target of 90. The Environmental Pollution Prevention Program (EP3) formally ended in September 1998. The five-year program worked in more than ten countries between 1993 to 1998 to establish sustainable pollution prevention programs, transfer urban and industrial pollution prevention expertise and information, and support efforts to improve environmental quality. An assessment of the EP3 program in three countries -- Chile, Bolivia, and Ecuador -- noted that, "The successes of EP3 are real and should be publicized among allies as well as skeptics of USAID." (Matthew R. Auer, et. al., *EP3-LAC Technical Report: Conclusions and Recommendations of an Assessment Team* [Washington, DC: Hagler Bailly, 1998]). The evaluation cited numerous EP3 program accomplishments, including firm-level economic and environmental improvements resulting from EP3's technical assistance, the cultivation of EP3 trainers who continue to train others, the formation and continued operation of organizations and programs that advocate P2/CP, and the promotion of P2/CP-friendly policies. Across Chile, Bolivia, and Ecuador, firms implemented between 25 to 50 percent of EP3 audit recommendations. Impressive results in pollution reduction, waste and raw material input minimization, productivity gains, and cost-savings were generated at individual factories in each LAC country the evaluation team visited.

In addition to the two SSO-level program indicators, the Global Environment Center also measures SSO2's progress using four "value added" indicators. These indicators track field-based assistance (TDYs) in response to mission/bureau requests, buy-ins to G/ENV/UP contracting vehicles, Agency leadership, and international leadership. In FY98, SSO2 performance was mixed for these indicators. SSO2 met targets for Agency leadership and TDYs, and fell short of targets for buy-ins and international leadership. For details, please see the performance data tables at the end of this section. FY98 performance revealed the difficulty of setting targets for these indicators.

*Field support.* SSO2 worked with 39 missions and bureaus during FY98. The SSO2 team played a key role providing critical field support to the Dominican Republic in the aftermath of Hurricane Georges. Efforts focused on assisting USAID/Dominican Republic with the design of a housing reconstruction program. The SSO2 team provided support to a number of missions in the design of local government capacity building activities. In addition, SSO2 worked closely with several missions in designing global climate change activities.

*Agency and International Leadership.* Highlights of G/ENV/UP leadership of Agency and international policies are numerous. G/ENV/UP contributed significantly to the development of potential projects to be funded by the Development Credit Authority (DCA). Through a collaborative effort with G/EGAD, G/ENV/UP developed a manual and one-day training course on DCA. Two DCA training courses were held during FY98. As a result, ten Missions have begun designing programs that utilize DCA as a funding source. PLAN International's "Credit for Habitat" initiative is also considering an expansion of their program in Central America as a precursor to a regional DCA activity. Through RUDO/Warsaw leadership, USAID/Poland adopted Global Climate Change (GCC) as a priority and committed to a target contribution of \$4.5 million to support GCC activities through the Local Government Partnership Program. G/ENV/UP leadership leveraged funds from host countries and other donors. For example, technical assistance provided by RUDO/Warsaw leveraged World Bank, European Bank for Reconstruction and Development, and European Union funds for flood damage repair and

investment in Poland. In addition, the World Bank agreed to continue the municipal finance program in Hungary managed by RUDO/Warsaw after the close-out of USAID activities in Hungary at the end of FY99.

Recent SSO2 achievements were formally recognized by the Agency during FY98. Seven members of G/ENV/UP's Portfolio Management Group received the 1998 Office of Inspector General Achievement Award in recognition of the outstanding diligence, creativity, and effectiveness they have shown in contributing to the improvement of the Agency's credit management capabilities. In addition, G/ENV/UP's Deputy Director received an award for his groundbreaking work in establishing municipal bond financing as a model for infrastructure investment in India.

### **Possible Adjustments to Plans**

SSO2 suffered significant cuts in its FY99 budget on a number of fronts. G/ENV/UP's Administrative Expense budget was reduced by 17 percent, forcing an 11 percent reduction in Bodies on Board (BOBs). Two RUDOs will be closed, bringing the number of field offices from eight to six, and staff will be cut in AID/W. A 29 percent reduction in the Office's FY99 DA (Program) budget has placed in jeopardy G/ENV/UP's ability to meet its first year's objectives of the Administrator's new "Making Cities Work" strategy. The Office's flagship program with ICMA, Resource Cities, has been curtailed, and the Agency's Local Government Training course, tailored for direct hires, has been postponed. A task order to begin implementation of pilot demonstration projects under "Making Cities Work" has also been cancelled. Finally, G/ENV/UP's ability to respond to technical assistance needs for developing DCA has been severely hampered. The 50 percent cut in UE credit subsidy levels has reduced by half the number of loan borrowings SSO2 is able to offer in the future. As a result, target numbers of households with access to urban services and shelter have been significantly reduced (see SSO2 Performance Data Tables).

FY 1999 - 2003 targets for the four value-added indicators measuring field support, mission and bureau buy-ins to G/ENV/UP contracting vehicles, contributions to Agency leadership, and contributions to international leadership, have been revised to reflect the reduction in G/ENV/UP's budget between FY98 and FY99. Declining resource levels are eroding G/ENV/UP's capacity to sustain levels of support provided in FY97. Future targets will be revised to reflect subsequent budget level fluctuations.

### **G/ENV/UP and Partner Contributions to Results Achievements**

#### *Major Contract Mechanisms, Grantees, and Collaborating Agencies*

Current G/ENV/UP contract mechanisms include Indefinite Quantity Contracts (IQCs), cooperative agreements, and an interagency agreement. Current IQCs include the Environment and Urban Programs IQC, the recently awarded \$110 million Sustainable Urban Management IQC (which will replace the Environment and Urban Programs IQC, which expires in April 1999) and the Municipal Development Management Contract. G/ENV/UP has two cooperative agreements, one with the International Council for Local Environmental Initiatives (ICLEI), and one with PLAN International. G/ENV/UP also collaborates with the U.S. Environmental

Protection Agency, Office of Technology Cooperation and Assistance, and Office of International Activities through an interagency agreement.

*Other Donor Programs*

G/ENV/UP collaborates with a host of bilateral and multilateral donors and integrates activities with host-country programs. Among these donor agencies are the World Bank, Asian Development Bank, Inter-American Development Bank, and the United Nations Development Programme.

*Table 5: SSO2 Performance Summary*

Indicator	Target	Actual	Progress
<b>SSO-Level Indicators</b>			
Total number of households benefiting from improved environmental infrastructure and shelter	579,000	506,085	Fell short*
Number of industries integrating P2/CP concepts and technologies into their daily operations and manufacturing processes	90	141	Exceeded
<b>SSO2 Value-Added Indicators</b>			
G/ENV technical assistance utilized by Missions (a. Number of Missions; b. Person-days)	a. 39 b. 1,294	a. 39 b. 1,677	Exceeded
G/ENV contracting vehicles utilized by Missions (a. Number of Missions; b. Dollar value in millions)	a. 16 b. 12.347	a. 14 b. 9.675	Fell short
Number of USAID policies, strategies, and programs reflecting G/ENV/UP leadership	30	39	Exceeded
Number of international policies, strategies, programs, and projects reflecting G/ENV/UP leadership	39	32	Fell short
<b>IR-Level Indicators</b>			
IR 2.1: Service Expansion Policy/Regulatory Index			On-track**
IR 2.2.1: Local Government Financial Management Index			On-track**
IR 2.2.2: : Local Government Capacity Index			On-track**
IR 2.2.3: Local Government Autonomy Index			On-track**
IR 2.2.4: Local Government Accountability Index			On-track**
IR 2.3.2.1: Government and industries adopt P2/CP concepts as integral parts of environmental legislation and guidelines	16 policies	20 policies	Exceeded
IR 2.3.2.3: In-country capacity strengthened to promote sustainability	2,146 individuals	2,778 individuals	Exceeded
<p>Comments: On-track and exceeded designations are assigned to those results within 10 percent, or over 10 percent, of the target, respectively.</p> <p>* G/ENV/UP captured 87 percent of the target for households benefiting from improved environmental infrastructure and shelter. FY98 results fell short of the target due to much lower levels of loan disbursements than planned through the Urban and Environmental Credit Program. Lower levels of disbursements were due to three factors outside of USAID's control: (1) the Asian economic crisis delayed a planned disbursement in Indonesia, (2) a planned disbursement in India was delayed due to sanctions imposed by the U.S. government in response to nuclear testing in May 1998, and (3) an unexpected bank merger delayed a planned borrowing in South Africa.</p> <p>** IRs 2.1 and 2.2 use a set of indices to measure progress. The indices use a set of four stages to "rank" or tabulate the progress made on a continuum of steps necessary to achieve a given result. For details on FY98 progress, please see the SSO2 IR narrative in supplemental Annex D.</p>			

## SSO2 Performance Data Tables

SSO2 Performance Data Tables

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> SSO2: Improved management of urbanization in targeted areas			
<b>INDICATOR:</b> Total number of households benefiting from improved urban environmental infrastructure and shelter solutions.			
<b>UNIT OF MEASURE:</b> Target households	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994	Baseline <sup>1</sup>	4,784,976
<b>SOURCE:</b> Reports from RUDOs, Annual Urban Environmental Credit Program Performance Monitoring Data	1995	N/A <sup>2</sup>	484,559
<b>INDICATOR/DESCRIPTION:</b> Urban environmental infrastructure and shelter refers to any activities providing mortgages; small home loans; construction loans; and servicing of sites with water, sewage treatment, and/or solid waste disposal. <b>NOTE:</b> Targets and actuals are highly dependent on eventual credit-subsidy levels and decisions and ability of countries to borrow (or request disbursements) in a given years. Hence, numbers chosen reflect expected disbursements of authorized loans only. Targets for FYs 1999-2001 begin to show the impact of the decline in UE authorization levels starting in FY96. To provide a comparison, credit subsidy levels were \$15.1 million in FY94, \$19.0 million in FY95, \$3.8 million in FY96, \$3.5 million in FY97, and \$3.1 million in FY98. In addition to lending in countries with active USAID Missions, SSO2' s UE activities include lending in four non-presence countries: Chile, Costa Rica, Czech Republic, and Tunisia.	1996	N/A	514,210
	1997	567,000	528,570
	1998	579,000	506,085 <sup>3</sup>
	1999	50,500 <sup>4</sup>	
<b>COMMENTS:</b> <sup>1</sup> 1994 represents cumulative data for the impact of the Urban Environmental Credit Program (formally the Housing Guaranty). Subsequent data show the annual increase in the number of households benefiting from improved environmental infrastructure and shelter solutions. There is usually a lag of one to five years between authorizations (appropriated funds) and loan disbursements or results. <sup>2</sup> In 1996, G/ENV/UP began collecting data on number of beneficiaries on a desegregated annualized basis. Annual targets were not set until FY97. Previously, life-of-project totals (which could span five or more years) were reported. 1995 actual is deduced data. <sup>3</sup> G/ENV/UP captured 87 percent of target households in FY98. The target of 579,000 households was based on \$155 million in disbursements occurring. However, only \$83 million was disbursed during FY98. Lower levels of disbursements were due to three factors outside of USAID's control: (1) the Asian economic crisis delayed a planned disbursement in Indonesia, (2) a planned disbursement in India was delayed due to sanctions, and (3) an unexpected bank merger delayed a planned borrowing in South Africa. <sup>4</sup> Targets for FYs 1999-2001 were revised to reflect anticipated disbursements. Target numbers of beneficiaries are based on credit subsidy assumptions of \$1.5 million in FY99, \$3 million in FY00, and \$3 million in FY01.	2000	21,300	
	2001	11,900	
	2002	TBD	

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> SSO2: Improved management of urbanization in targeted areas			
<b>INDICATOR:</b> Number of industries integrating P2/CP concepts and technologies into their daily operations and manufacturing processes.			
<b>UNIT OF MEASURE:</b> Number of industrial facilities satisfactorily implementing P2/CP concepts	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	132	298
<b>SOURCE:</b> Country Survey	1997	400	260
<b>INDICATOR/DESCRIPTION:</b> This information reflects data supplied by EP3 country programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay and EP3-sponsored activities in Jamaica, Mexico, and Peru. The EP3 program was formally closed in September 1998. Resources are not available to conduct follow-up surveys to monitor the industry implementation activities that are expected to continue after FY98.	1998	90*	141**
	1999	***	
	2000	***	
	2001	***	
	2002	***	
	2003	***	
<b>COMMENTS:</b>			
<p>* Revised target based on results of FY97 field survey included facilities directly receiving technical assistance. Secondary impacts of training and policy reform are not reflected in this number.</p> <p>** The target of 90 facilities was exceeded due to a number of factors. In Egypt, EP3 used a "Rapid PPDA" model that emphasized immediate implementation of no-cost and low-cost pollution prevention measures and allowed the assessment of a greater number of plants. In Alexandria and the 10th of Ramadan, EP3 used a "circle" approach to train personnel of participating plants from the same industry sector. In Paraguay, most of the companies implementing pollution prevention were not directly audited by EP3 but were encouraged by the information they received at seminars and workshops organized by EP3/Paraguay. In Peru, the adoption of P2/CP technologies by fishmeal companies to reduce waste and improve yields had been growing rapidly, based on the positive implementation results at the seven EP3-assisted fishmeal plants in the city of Paracas.</p> <p>*** The preliminary indicator table on the following page is currently under development for use in the R4 for FYs 1999-2001. That indicator will replace this EP3 indicator to measure performance at the SSO level.</p>			

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULTNAME:</b> SSO2: Improved management of urbanization in targeted areas			
<b>INDICATOR:</b> Progress toward implementation of improved urban environmental management systems.			
<b>UNIT OF MEASURE:</b> Index composed of points awarded for completion of steps toward implementation of an environmental management system (GCC and EMS approaches).	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	N/A	
<b>SOURCE:</b> RUDO and partner reports.	1998	N/A	
	1999	4*	
<b>INDICATOR/DESCRIPTION:</b> <b>Phase 1: EMS and GCC Program Development</b> a. Developed general methodology and materials (1 point each of EMS/GCC). b. Identified and trained partners in pilot cities (1 point each for EMS/GCC). <b>Phase 2: EMS and GCC Program Implementation</b> a. Identified and adopted policies at municipal level (2 points). b. Developed local implementation plan with targets and measures (4points) c. Instituted impact monitoring and feedback mechanisms (2 points).	2000	10**	
	2001	TBD	
	2002	TBD	
	2003	TBD	
<b>COMMENTS:</b> Points are cumulative annually and across pilot cities. Index is not necessarily sequential. Index applies to both GCC and EMS models.  * 4 = 2 points for EMS Phase 1 completion and 2 points for GCC Phase 1 completion ** 10 = 6 points for completion of Phase 2, part in three pilot cities plus 4 points from 1999.  NOTE: This indicator table is currently under development for use in the R4 for FYs 1999-2000. Targets for FYs 2001-2003 will be determined during the development of a new results framework for EMS and GCC activities.			



## SSO2 Value-Added Performance Data Tables

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> G/ENV technical assistance utilized by missions.			
<b>INDICATOR:</b> G/ENV field-based assistance (TDYs) provided in response to mission/bureau requests.			
<b>UNIT OF MEASURE:</b> (a) Number of missions; (b) person-days	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	a. 40 b. 1,604
<b>SOURCE:</b>	1998	a. 39 b. 1,294	a. 39 b. 1,677
	1999	a. 30 b. 918	a. b.
<b>INDICATOR/DESCRIPTION:</b> Target countries for G/ENV/UP are the eight RUDO-based countries: Ecuador, Guatemala, India, Indonesia, Morocco, Poland, South Africa, and Zimbabwe.  Data reported includes USDH, RSSA, AAAS, IDI, IPA, FSN, and PSC. The baseline and targets include all contributions from USAID/W and the field RUDO offices.	2000	a. 28 b. 878	a. b.
	2001	a. 25 b. 853	a. b.
	2002	a. 24 b. 840	a. b.
<b>COMMENTS:</b> Targets for FYs 1999 - 2003 have been reduced by 28 percent. This reflects the reduction in G/ENV/UP's OE and Program Budgets and the UE credit subsidy allocation between FY98 and FY99. Declining resource levels are eroding G/ENV/UP's capacity to sustain levels of support provided in FY97. Subsequent budget level fluctuations will require further revision of these targets.	2003	a. 24 b. 840	a. b.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> G/ENV contracting vehicles utilized by missions.			
<b>INDICATOR:</b> Mission buy-ins, add-ons, OYB transfers, IQC task orders, managed orgs			
<b>UNIT OF MEASURE:</b> (a) Number of missions; (b) dollar value in millions	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	a. 16 b. 12.347
<b>SOURCE:</b>	1998	a. 16 b. 12.347	a. 14 b. 9.675
	1999	a. 11 b. 8.889	a. b.
<b>INDICATOR/DESCRIPTION:</b>	2000	a. 11 b. 8.889	a. b.
	2001	a. 11 b. 8.889	a. b.
	2002	a. 11 b. 8.889	a. b.
<b>COMMENTS:</b> Targets for FYs 1999 - 2003 have been reduced by 28 percent. This reflects the reduction in G/ENV/UP's OE and Program Budgets and the UE credit subsidy allocation between FY98 and FY99. Declining resource levels are eroding G/ENV/UP's capacity to sustain levels of support provided in FY97. Subsequent budget level fluctuations will require further revision of these targets.	2003	a. 11 b. 8.889	a. b.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> Agency environmental objectives advanced within USAID through G/ENV technical leadership and field support.			
<b>INDICATOR:</b> Number of USAID policies, strategies, and programs reflecting G/ENV leadership.			
<b>UNIT OF MEASURE:</b> Number of USAID policies, strategies, and programs	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	31
<b>SOURCE:</b> Surveys of USAID/W and RUDO staff.	1998	30	39
	1999	20	
<b>INDICATOR/DESCRIPTION:</b> The baseline and targets include all contributions from USAID/W and the field RUDO offices.	2000	9	
	2001	8	
	2002	8	
<b>COMMENTS:</b> Targets for FYs 1999 - 2003 have been reduced by 28 percent. This reflects the reduction in G/ENV/UP's OE and Program Budgets and the UE credit subsidy allocation between FY98 and FY99. Declining resource levels are eroding G/ENV/UP's capacity to sustain levels of support provided in FY97. Subsequent budget level fluctuations will require further revision of these targets.  For examples of FY98 accomplishments, please see the SSO2 narrative.	2003	8	

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULTNAME:</b> Agency environmental objectives advanced in international forums through G/ENV international leadership.			
<b>INDICATOR:</b> Number of international policies, strategies, programs, and projects reflecting G/ENV leadership.			
<b>UNIT OF MEASURE:</b> Number of international policies, strategies, programs, and projects. May include international conventions, MDB and other donors, and USG initiatives.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	37
<b>SOURCE:</b> Surveys of USAID/W and RUDO staff.	1998	39	32
	1999	28	
<b>INDICATOR/DESCRIPTION:</b> The baseline and targets include all contributions from USAID/W and the field RUDO offices.	2000	16	
	2001	15	
	2002	15	
<b>COMMENTS:</b> Targets for FYs 1999 - 2003 have been reduced by 28 percent. This reflects the reduction in G/ENV/UP's OE and Program Budgets and the UE credit subsidy allocation between FY98 and FY99. Declining resource levels are eroding G/ENV/UP's capacity to sustain levels of support provided in FY97. Subsequent budget level fluctuations will require further revision of these targets.  For examples of FY98 accomplishments, please see the SS02 narrative.	2003	15	

### **STRATEGIC SUPPORT OBJECTIVE 3: INCREASED, ENVIRONMENTALLY SUSTAINABLE ENERGY PRODUCTION AND USE**

#### **SSO Summary**

To help developing countries set a course that integrates environmental and economic sustainability into their energy development, G/ENV pursues Strategic Objective 3 - "Increased, Environmentally Sustainable Energy Production and Use." This year, G/ENV's SSO3 helped support the reform of the electricity sector in more than 12 countries, promoted improvements in energy efficiency and availability, stimulated private investment in renewable energy projects, and improved economic performance in the power sector. USAID's support of partnerships and training programs that transfer knowledge and resources from U.S. private and public sector entities to developing country organizations, as well as G/ENV's work to leverage funds from multilateral and commercial sources have resulted in the Agency being recognized as a catalyst of the private power "revolution" in developing countries.

To realize G/ENV's sustainable energy objective, SSO3 pursued three high-level intermediate results in FY98, as well as a cross-cutting Energy & Environment Training Program (EETP):

- IR3.1 - Increased Energy Efficiency
- IR3.2 - Increased Use of Renewable Energy Resources
- IR3.3 - Increased Production and Use of Clean Energy

In pursuit of these results, USAID collaborates with U.S. government agencies, international financial institutions, host-country governments, non governmental organizations, and private entities to leverage financial resources and encourage private sector participation, financing, and partnerships. The cross-cutting EETP increases the ability of in-country development partners to effectively and efficiently use available material, technological, and financial resources and apply them within local contexts. The development of human capacity is critical to the sustained achievements of SSO3 and is integrated into the overall assistance effort.

The SSO3 team exceeded all SSO-level performance targets. The SSO3 team's performance in FY98 was affected by five factors - two internal to USAID, the other three related to macro-economic conditions outside the manageable control of G/ENV. The two internal factors were loss of half of the team's direct hire staff and delays in contracting actions. The internal factors resulted in two IR-level teams operating without task orders for the majority of the fiscal year. The three external factors were the Asian financial crisis, slower-than-anticipated movement by the Government of South Africa, and the sanctions on India. All five factors impeded the operation of SSO3 programs at the IR-level. The IR3.1 and IR3.3 teams failed to meet expected targets. An outstanding performance by the IR3.2 team permitted the SSO3 team to exceed all of the three SSO-level results and significantly exceed IR3.2 targets.

#### **Key Results**

*Program Success.* A key area of focus for the SSO3 team in FY98 was establishing partnerships that facilitate the flow of technical and financial resources between the utilities and regulators in

the U.S. and developing countries. To this end, the team supported the U.S. Energy Association's Energy Partnership Program (EPP). EPP matches U.S. and overseas utilities and regulatory agencies with counterparts in developing countries. Once selected for the program, the participating organizations execute partnership agreements and commit to cooperate for a minimum of two years. For example, USEA orchestrated a cooperative agreement between Pennsylvania Power and Light (PP&L) and Andhra Pradesh State Electricity Board (APSEB) in India. As a result of this partnership, APSEB is replacing inefficient irrigation pumps with more reliable single-phase pumps. The new pumps will reduce technical distribution losses by 14 percent per unit. In addition, discussions with PP&L executives on behalf of privatization in Andhra Pradesh led APSEB staff and union members to reconsider their position on the controversial issue of restructuring. As a result, APSEB is negotiating a \$1 billion loan package with the World Bank for the restructuring of the transmission and distribution sector in Andhra Pradesh. In FY98 USEA organized seven similar partnerships in the regulatory and utility arena, exceeding SSO3's expected target of three partnerships. The SSO3 team was also able to achieve remarkable success in fostering the adoption and implementation of public policies to promote environmentally sound energy production and in leveraging public and private sector financing to support said production. In large part this success was due to the results delivered by Winrock International's Renewable Energy and Energy Efficiency Program (REEP). Leveraging over \$341 million in FY98 for renewable energy projects and fostering the adoption and implementation of seven policies that promote production from renewable energy sources, the REEP program dramatically exceeded expected targets.

*Agency and International Leadership.* The SSO3 team took the lead for the Agency in the conceptualization and development of TCAPP. In recognition of the need to establish a mechanism for implementing technology transfer under the United Nations Framework Convention on Climate Change (UNFCCC), at the beginning of FY98 the team initiated the inter-agency collaboration with USDOE and USEPA responsible for the development of TCAPP. The TCAPP program is currently assisting Brazil, China, Kazakhstan, Mexico, and the Philippines in attracting private sector investment in priority clean energy technologies to both meet development needs and reduce greenhouse gas emissions. In FY99 TCAPP will initiate activities in South Korea with funding from U.S. Asian Environmental Partnership. The SSO3 team's work with TCAPP helped make the Agency a player in setting the U.S. government's international technology development and deployment agenda. Through the team's involvement with the President's Committee of Advisors on Science and Technology (PCAST) the position of the Agency was delivered to the White House. In addition, the SSO3 team established a collaborative with the Agency's U.S. Asia Environmental Partnership (USAEP) to promote environmentally sound energy production in Asia. The collaborative provides the resources and technical skills necessary for USAEP to conduct business in the energy sector - a new sector for the unit vital to their clients needs in Asia - and extends the SSO3 team's reach in USAEP presence countries.

On the international front, the SSO3 team executed leadership in two key areas – shaping the USG position on international climate change issues and leveraging multilateral or bilateral commitments for environmentally sound energy production. Shaping the USG's position on global climate change (GCC) involved support in preparation for the Conference of Parties in Buenos Aires (COP4), articulating the USG position at the Kyoto negotiations (COP3), and

structuring the USG position on technology cooperation under the UNFCCC. The SSO3 team leader and one of the IR team leaders were part of the USG negotiating team at COP3 and the SSO3 team leader was appointed to take the lead for the Agency in negotiations at COP4. In the second key area, SSO3 interventions focused on catalyzing openings for renewable energy projects in multilateral development bank loans to Brazil, Guatemala, India, Indonesia, Sri Lanka, and Mexico.

*Field Support.* The SSO3 team played a key role providing critical field support in Ghana, Brazil, and the Philippines. In mid-FY98 Ghana experienced a national electricity crisis. Following President Clinton's trip to Ghana, an SSO3 team member led an interagency team into Ghana to help the government manage its national energy crisis. SSO3 staff and advisors helped the Government of Ghana and USAID/Ghana design a plan to mitigate the short-term electricity crisis and issued a report that proposed long-term options for prevention of future crises. The report forms the basis for the Agency's ongoing consultation with the government and was delivered personally to President Rawlings by President Clinton at a White House ceremony in February. The SSO3 team is also working closely with the Missions in West Africa to assist Nigeria and Ghana with the development of a gas pipeline and to help the West Africa Power Pool develop an energy mix that will propel the region forward economically and meet the regions energy needs. In addition, the SSO3 team worked closely with USAID/Brazil and USAID/Philippines in developing energy-related Strategic Objectives and provided support to a number of missions in the area of GCC.

### **Performance and Prospects**

SSO3 exceeded all SSO-level performance targets. Performance in FY98 was affected by five factors - two internal to USAID, the other three related to macro-economic conditions outside the manageable control of G/ENV. Several of the factors had severe implications on the performance of two of SSO3's IR-level teams. The IR3.1 and IR3.3 teams failed to meet expected targets. The IR3.2 performance was outstanding, permitting the SSO3 team to exceed all of the three SSO level results and significantly exceed IR3.2 targets.

In FY98 the SSO3 team *lost half of its direct hire staff*. The team had eight direct hires in March and by June there were only four. Three staff members moved to positions outside the team, and the team's Deputy Director retired. The vacancies meant that each remaining staff member had to essentially take on the roles of two staff members. SSO3 responded to requests from 12 Missions for technical assistance and training in AFR, ANE, ENI, and LAC and provided 157 person-days of in-country technical assistance. In addition, as SSO3 represents USAID's core capacity to lead and support the USG in addressing the energy aspect of the climate change challenge in developing countries the bulk of the responsibility for implementing the Agency's GCC Initiative fell on the SSO3 team. However, without staff dedicated solely to GCC, the limited staff of SSO3 had to take on this role in addition to their normal duties. As discussed throughout the narrative, there were many successes related to this work. However, the diversion of staff hampered SSO3's ability to manage programmatic activities. This was compounded by a decrease in support staff and the aforementioned vacant staff positions.

The team began to interview for the openings immediately after the positions were vacated but the approval process took longer than expected and only one out of the four positions was filled

by the close of FY98. All four positions were filled in the first quarter of FY99. In addition, the team worked with G/ENV to create three positions to fill the void in global climate change arena. SSO3 is currently working to fill these positions for G/ENV.

SSO3 performance was also adversely affected by *delays in contracting actions* requested by SSO3 and the team's loss of two key contractors. IR3.3 was without a task order until the last month of FY98. IR3.2 lost a key cooperator due to the cooperator's dispute with the Office of Procurement. SSO3's crosscutting Energy & Environment Training Program IQC was awarded halfway through FY98, but a task order to fund actual training was not awarded until the end of FY98.

Finally, since the actions of host-country governments and the global economic system are beyond the manageable interest of SSO3, some expected achievements of FY98 objectives have been delayed. For example, while IR3.2 began to foster creation of a renewables-based rural electrification program in Indonesia. Due to the *Asian financial crisis* completion of the program was held-up by unexpected delays on the part of the Indonesian government and Indonesian financing institutions. While IR3.2 should ultimately succeed in this effort, the time frame will be longer than foreseen. Activities under IR3.2 were also affected as a result of *slower-than-anticipated movement by the Government of South Africa* in launching a renewable energy program. In addition, the *sanctions on India impeded the completion of projects* supported under all three of the team's IRs.

During FY98, SSO3 utilized the performance monitoring plan developed in FY96 to track results that take account of the long lag times required to shift the energy sector toward greater economic and environmental sustainability. By tracking these indicators, SSO3 can extrapolate the impacts beyond immediate intervention in order to assess the adequacy of addressing the energy and environmental problems of the countries and people served. Ultimately, this will optimize the use of these limited resources for this large and capital-intensive sector.

*SSO3 Indicator 1: Greenhouse gas emissions avoided.* Indicator 1 provides an environmental indicator of SSO3's highest-level results once investments are expended and projects go online. SSO3 activities helped reduce carbon dioxide emissions by *634,000 tons*, exceeding the team's target levels of 435,000 tons. This indicator aggregates those GHG emissions avoided from FY98 with emissions from the previous year. The formula used to calculate GHG emissions avoided in FY96 - FY98 makes a series of assumptions that may not yield the best approximation of GHG emissions avoided from energy projects. The SSO3 team is working with the GCC team to develop a methodology that more accurately measures GHG emissions avoided in energy projects.

*SSO3 Indicator 2: Value of private and public investment leveraged by G/ENV.* Indicator 2 is critical for assessing whether SSO3 can help countries attract adequate financing for environmentally sound energy to ensure the continuation and replication of our programs and the implementation of policy and institutional reforms. The SSO3 team leveraged approximately *\$484 million*. This overwhelmingly exceeded targets of \$165 million. Targets were exceeded due to results in IR3.2, which realized substantial leverage from technical assistance support to the World Bank and financial closure on a number of deals that had been developed under



previous programs. However, as a result of the factors mentioned in the summary, the IR3.1 and IR3.3 teams failed to meet targets.

*SSO3 Indicator 3: Number of public policies adopted and implemented to promote environmentally sound energy production and use.* Indicator 3 permits SSO3 to gauge performance in supporting essential institutional and regulatory frameworks required to achieve improvements in the energy sector. Achieving 14 policies adopted or implemented as compared to the target of eight, SSO3 also exceeded the target in this area. However, as a result of the aforementioned factors, the IR3.1 and IR3.3 teams failed to meet targets.

*SSO3 Value-Added Indicator 1: G/ENV field-based assistance (TDYs) provided in response to Mission/Bureau requests.* SSO3 responded to requests from 12 missions for technical assistance and training in AFR, ANE, ENI, and LAC and provided 157 person-days. The energy team provided technical and management assistance to development partners and Missions, which often lacked personnel of their own dedicated to fostering the production and use of environmentally sound energy and global climate change. As mentioned previously, an SSO3 team member led an interagency team to Ghana to help the government and the mission deal with the country's national energy crisis. In Brazil and the Philippines, where mission capability in energy, training, and global climate change is limited, the SSO3 team continued to play a major role in designing and managing the Agency's energy portfolio. SSO3 also worked with USAID/Mexico, USAID/India, and USAID/Central America to design sustainable energy programs. The SSO3 team was not able to respond to every request for assistance as staff was severely limited, and this caused the SSO team to miss its target.

*SSO3 Value-Added Indicator 2: Mission buy-ins, add-ons, OYB transfers, IQC task orders.*

As another measure of the support to the field Missions, SSO3 provided access to contractual vehicles for 17 missions and bureaus in the amount of \$37.78 million. The FY98 total includes mission and regional bureau buy-ins from Armenia, Brazil, CAR, Egypt, Georgia, Haiti, India, Indonesia, Jamaica, Lithuania, Mexico, Moldova, Poland, Philippines, Central America, Ukraine, and the LAC & ENI regional. The stellar results were due to the remarkable success of the Office's two Indefinite Quantity Contracts (IQC's): the Energy IQC and the Energy & Environment Training Program IQC. The missions took full advantage of the IQC's to obtain technical and training services in energy sector policy and planning, renewable energy, energy efficiency, energy and environmental infrastructure, and technology transfer. The total also includes approximately \$1 million the India mission accessed through the EPIQ mechanism.

*SSO Value-Added Indicator 3: Number of USAID policies, strategies, and programs reflecting G/ENV leadership.* In FY98, twelve USAID policies, strategies, and programs reflect SSO3's intervention at the Agency level. The highlight of G/ENV's SSO3 Agency leadership was in spearheading USAID's Global Climate Change Initiative and helping set the USG international energy technology development and deployment agenda. In the technology development and deployment arena the SSO3 team took the lead for the Agency in the conceptualization and development of TCAPP, worked with PCAST to draft a position paper for the Committee, and brought USAID's programs to the White House. As the lead for the Agency in global climate change, the SSO3 team marshaled Agency resources for GCC, continued to improve the Agency's position in foreign policy formulation, and acted as a liaison for the Agency with the

White House. In addition, the SSO3 team established a collaborative with USAEP, mentioned above, to promote environmentally sound energy production in Asia. The collaborative provides the resources and technical skills necessary for USAEP to conduct business in the energy sector and extends the SSO3 team's reach in USAEP presence countries. SSO3 also worked with the Missions in Brazil, Ghana, South Africa, Mexico, India, Central America, and the Philippines to design sustainable energy programs.

*SSO Value-Added Indicator 4: Number of international policies, strategies, programs, and projects influenced by G/ENV leadership.* The SSO3 team helped fulfill U.S. foreign policy objectives and commitments in two key areas – shaping the USG's position on international climate change issues and leveraging multilateral or bilateral commitments for environmentally sound energy production, influencing *nine* strategies at the highest level. The highlight of G/ENV's SSO3 team's international leadership was in continuing to shape the U.S. government's position on global climate change. This involved support in preparation for COP4, articulating the USG position at the COP3 negotiations, and structuring the USG position on technology cooperation under the UNFCCC. The SSO3 team leader and an IR team leader were members of the USG negotiating team at COP3. The SSO3 team leader was also selected to negotiate for the USG at the COP4 meetings in early FY99. In the second key area, SSO3 interventions focused on catalyzing openings for renewable energy projects in multilateral development bank loans to Brazil, Guatemala, India, Indonesia, Sri Lanka, and Mexico.

### **Expected Progress (FYs 1999-2001) and Management Actions at the SSO level**

G/ENV will continue to work with host governments to remove legislative, regulatory, and tariff barriers to environmentally sustainable technology deployment; to create partnerships among a variety of host-country institutions and businesses and U.S. counterparts; and to develop an understanding of the economic, environmental, and health benefits of sustainable energy and environmental technologies. One factor that may continue to impede SSO3's success in the near future is the economic crisis currently under way in Asia.

### **Possible Adjustments to Plans**

One IR-level indicator - IR3.1.2.2: *Percentage of companies within G/ENV-targeted industries utilizing energy efficient technologies* - was dropped as the indicator was deemed impossible to measure accurately.

### **G/ENV and Partner Contributions to Results Achievement**

*Major Contract Mechanisms, Grantees, and Collaborating Agencies.* The SSO3 team implements its energy programs through private sector organizations, U.S. and host-country non-governmental organizations, host country government agencies, and trade associations. The principal contracting mechanisms for the SSO3 are two IQCs: the Energy IQC and the EETP IQC. Each IQC has three prime contractors. In FY98 the SSO3 team also had six cooperative agreements. The SSO3 team also collaborates with other U.S. government agencies (principally DOE, EPA, DOC, and the DOS). The team has two interagency agreements with Department of Energy's national laboratories, contributed to a USEPA interagency agreement, and has one PASA with Oak Ridge National Laboratory. IR3.2 lost a key cooperator in FY98 due to the

cooperator' s dispute with the Office of Procurement. The IR3.2 team will release a Request for Applications to implement the team' s programs in early FY99. In the second quarter of FY99 the IR3.2 program will have a new array of contractors and cooperators as awards will have been made for the IR's prime cooperative agreement. The new cooperative agreement(s) will support activities designed to facilitate the expansion of sustainable market potential of commercial renewable energy technologies in USAID-assisted countries.

*Other Donor Programs.* Within the donor community, the SSO3 team works closely with lending institutions (World Bank, regional development banks, and private commercial banks) to improve access to long-term financing as well as with international organizations on technical assistance and information dissemination. Technical assistance, technology transfer, and partnerships supported by the SSO3 team have leveraged significant commitments to environmentally sustainable energy enterprises from other multi-lateral and bi-lateral donors.

**Table 6: SSO3 Performance Summary**

<b>SSO-Program Level Indicators</b>	<b>Target</b>	<b>Actual</b>	<b>Progress</b>
A - GHG emissions avoided (CTE/year)	0.471	0.634	<b>Exceeded</b>
B - Investment leveraged by G/ENV (\$US mill)	165	484	<b>Exceeded</b>
C - Number of policies adopted and implemented	8	14	<b>Exceeded</b>
<b>Value-Added Indicators</b>			
1 - Field-based assistance (TDYs) provided	No. Missions: 20 Person Days: 440	No. Missions: 12 Person Days: 157	<b>Fell Short</b>
2 - Mission by-ins, add-ons, OYB transfers, IQC task orders, etc.	No. Missions: 9 Dollar Value: \$5.01	No. Missions: 17 Dollar Value: \$37.78	<b>Exceeded</b>
3 - Number of USAID policies, strategies, and programs reflecting G/ENV leadership	6	12	<b>Exceeded</b>
4 - Number of int'l policies, strategies, programs, and projects influenced by G/ENV leadership	4	9	<b>Exceeded</b>
<b>IR Level Indicators</b>			
3.1.1 - Energy saved (MWs)	12	4.3	<b>Fell Short</b>
3.1.1.1 - EE policies adopted and implemented	5	4	<b>Fell Short</b>
3.1.2.1 - Cases in which efficient tech. are demonstrated and replicated in key industries	2	5	<b>Exceeded</b>
3.1.2.2 - Companies within G/ENV-targeted industries utilizing EE tech. (%)	24%	N/A	<b>Fell Short</b>
3.1.3.1 - Investment leveraged by G/ENV (US\$)	10 million	904,450	<b>Fell Short</b>
3.1.3.2 - New ESCOs in key countries	2	1	<b>Fell Short</b>
3.1.4.1 - Host-country institutions adopting improved operating policies., practices., or technologies.	5	21	<b>Exceeded</b>
3.1.4.2 - Training alumni reporting use of training content in their work (%)	TBD	N/A	N/A
3.2 A - Newly installed capacity on-grid (MW's)	85	92.54	<b>Exceeded</b>
3.2 B - Newly installed system off-grid (MW's)	8,000	1,295	<b>Fell Short</b>
3.2.1 A - Renewable energy policies adopted and implemented	4	10	<b>Exceeded</b>
3.2.2 A - Business entities mobilized for RE	12	35	<b>Exceeded</b>
3.2.3 A - Increased financial commitments to RE	150	483	<b>Exceeded</b>
3.2.4 A - Host-country NGOs established or strengthened to promote RE	(E) 1 & (S) 7	(E) 8 & (S) 21	<b>Exceeded</b>
3.3.1 - GHG emissions avoided	0	0	N/A
3.3.2 - CE activities initiated by the private sector	2	4	<b>Exceeded</b>
3.3.3 - Reduction in emissions of local pollutants (Met. tons of pollutant avoided/abated)	PM 700 SO2 TBD	0	<b>Fell Short</b>
3.3.1 - Increased CE policies adopted and implemented	0	0	N/A
3.3.2 .1 - CE technology demonstrated and replicated	(D) 1 (R) 1	0	<b>Fell Short</b>
3.3.3.1 - Partnerships between U.S. and host-country business brokered	3	8	<b>Exceeded</b>
3.3.3.1 - Investment leveraged by G/ENV (\$US)	5 million	50,000	<b>Fell Short</b>
3.3.4.1 - Host-country institution strengthening	2	4	<b>Exceeded</b>
3.3.4.2 - Training alumni reporting use of training content in their work (%)	2.5	N/A	<b>Fell Short</b>

## SSO3 Performance Data Tables

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>INDICATOR A:</b> Greenhouse gas (GHG) emissions avoided			
<b>UNIT OF MEASURE:</b> Million tons of CO <sub>2</sub> equivalent (CTE)/year annual cumulative emissions averted	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	0.401
<b>SOURCE:</b> Private sector sources, IQC, host-country industries, and utilities	1997	0.4347	0.436
	1998	0.4712	0.634
<b>INDICATOR/DESCRIPTION:</b> GHG emissions avoided is based on the assumption that G/ENV and partner support for the generation of environmentally sustainable energy and for improved energy efficiencies will displace the need to use such fossil fuels as oil or coal. Factors for determining emissions avoided for individual projects are dependent on the application of that project and the type of energy generation capacity displaced. When the source of generation displaced is not known an aggregate based on the countries energy mix is used to compute displacement. This indicator aggregates emissions avoided annually by projects that came on-line in previous years with admissions averted from projects that came on-line in the target year.  There are three levels of results and impacts: Level I - Actual results achieved for activities directly funded by G/ENV Level II Actual results achieved for activities partially funded by G/ENV, or for activities in which G/ENV contributed to development of policies, regulations, or project pre-investment Level III Actual results achieved for activities replicated as a result of, but not directly supported by, G/ENV activities	1999	0.5108	
	2000	0.5537	
	2001	0.6002	
	2002	0.6506	
	2003	0.7053	
	Total	3.9264	
<b>COMMENTS:</b> * The formula used to calculate GHG emissions avoided in FY96 - FY98 made a series of assumptions that did not yield the best approximation of GHG emissions avoided from energy projects. The SSO3 team will develop a new formula that more accurately approximates GHG emissions avoided in energy projects.  FY98 results include 194,157 tons from renewable energy, 4,650 tons from energy efficiency, and a 436,000 ton aggregate for FY97 – FY98.			

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>INDICATOR B:</b> Value of private and public investment leveraged by G/ENV			
<b>UNIT OF MEASURE:</b> U.S. dollars (millions)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	114.6
<b>SOURCE:</b> IQC, collaborators, industry, cooperators, and stakeholders	1997	385	496
	1998	165	484
<b>INDICATOR/DESCRIPTION:</b> Mobilizing investments and engaging partner participation in environmentally sound energy production and use are priorities for SSO3. Accordingly, this indicator monitors obligations and commitments made to environmentally sustainable energy in association with G/ENV activities at three levels:  Level I    USAID Mission and Bureau funding obligated in conjunction with G/ENV activities Level II   a. External funding leveraged from partners for joint G/ENV activities b. Funding for activities in which G/E NV developed policies, regulations, or project pre-investment (prorated) c. Obligated or committed funding for MDB loan programs (prorated) d. Financial closure for private-sector funded programs (prorated) Level III   Funding generated to replicate G/ENV-pioneered programs (new obligations, commitments, or financial closure)	1999	195	
	2000	220	
	2001	250	
	2002	275	
	2003	305	
	Total	1795	
<b>COMMENTS:</b> *FY98 includes \$904,450 for energy efficiency (IR 3.1), approximately \$483 million from renewable energy (IR 3.2), and \$50,000 from clean energy (IR3.3). Targets were exceeded due to results in the renewable energy program, which realized a number of financial closures in FY98.			

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>INDICATOR C:</b> Number of public policies adopted and implemented to promote environmentally sound energy production and use			
<b>UNIT OF MEASURE:</b> Number of policies	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	5
<b>SOURCE:</b> Private sector sources, IQC, host-country industries, and utilities	1997	7	23
	1998	8	14
<b>INDICATOR/DESCRIPTION:</b> This indicator tracks the full spectrum of national, state, and local policy reforms in which G/ENV assistance plays an instrumental role in developing and implementing public policies. G/ENV will track when policies are formally adopted by governmental bodies, and when policies are implemented. Results to be monitored from policy reforms may include tax restructuring, reductions of fossil fuel subsidies, private power purchase agreements, passage, and enactment of energy codes and standards.	1999	9	
	2000	9	
	2001	9	
	2002	9	
	2003	9	
	Total	65	
<b>COMMENTS:</b> FY98 results include four policies adopted and implemented in the area of energy efficiency (IR 3.1), 10 policies in renewable energy (IR 3.2), and 0 policies from clean energy due to a lack of a contracting vehicle. Policies were adopted and implemented in seven countries: Brazil, Guatemala, India, Philippines, Nicaragua, Honduras, and Senegal.			

### SSO3 Value-Added Performance Data Tables

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3 :</b> G/ENV Technical Assistance Utilized by Mission			
<b>VALUE-ADDED INDICATOR 1:</b> G/ENV field-based assistance (TDYs) provided in response to Mission/Bureau requests			
<b>UNIT OF MEASURE:</b> (a) Number of missions, (b) person-days	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	(a) 21 (b) 464
<b>SOURCE:</b> G/ENV/DAA	1998	(a) 20 (b) 440	(a) 12 (b) 157
	1999	(a) 20 (b) 440	
<b>INDICATOR/DESCRIPTION:</b> This indicator measures the number of missions that authorized G/ENV TDYs for SSO3 activities or mission-funded energy or climate change activities. Person Days consists of days on TDY by USAID personnel (Direct Hires, RSSA, and AAAS) only.	2000	(a) 20 (b) 440	
	2001	(a) 20 (b) 440	
	2002	(a) 20 (b) 440	
	2003	(a) 20 (b) 440	
	Total	(a) 140 (b) 3080	
<b>COMMENTS:</b> SSO3 FY98 indicators include TDYs to Brazil, Ghana, Ukraine, Angola, Mongolia, Zimbabwe, South Africa, Botswana, Mexico, Mozambique, Philippines, and Guatemala. Due to a staffing shortage (see discussion in the narrative) the Office was not able to respond to all TDY requests.			



<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3:</b> G/ENV Contracting Vehicles Utilized by Missions			
<b>VALUE-ADDED INDICATOR 2:</b> Mission buy-ins, add-ons, OYB transfers, IQC task orders, managed orgs			
<b>UNIT OF MEASURE:</b> (a) Number of missions, (b) dollar value in millions	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	(a) 6 (b) \$6.03
<b>SOURCE:</b> G/ENV/DAA	1998	(a) 9 (b) \$5.01	(a) 17 (b) \$37.78
	1999	(a) 15 (b) \$30	
<b>INDICATOR/DESCRIPTION:</b> The indicators are the number of Missions using the contract vehicles, and the total dollar value.	2000	(a) 15 (b) \$30	
	2001	(a) 15 (b) \$30	
	2002	(a) 15 (b) \$30	
	2003	(a) 15 (b) \$30	
	Total	(a) 84 (b) \$155.01	
<b>COMMENTS:</b> As another measure of the support to the field missions, SSO3 provided access to contractual vehicles for 17 missions in the amount of \$37.78 million. The FY98 total includes mission and regional bureau buy-ins from Armenia, Brazil, CAR, Egypt, Georgia, Haiti, India, Indonesia, Jamaica, Lithuania, Mexico, Moldova, Philippines, Central America, Ukraine, and the LAC Regional. The total also includes approximately \$1 million accessed by USAID/India through the EPIQ mechanism. Targets were revised based on the success of the IQC.			

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3:</b> Agency Environmental Objectives Advanced within USAID through G/ENV Technical Leadership and Field Support			
<b>VALUE-ADDED INDICATOR 3:</b> Number of USAID policies, strategies, and programs reflecting G/ENV leadership			
<b>UNIT OF MEASURE:</b> Number of USAID policies, strategies, and programs	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	9
<b>SOURCE:</b> Discussions with the SSO3 team.	1998	6	12
	1999	6	
<b>INDICATOR/DESCRIPTION:</b> SSO3 seeks to influence USAID environmental policy (sustainable energy and global climate change) at the Agency and mission levels.	2000	6	
	2001	6	
	2002	7	
	2003	7	
	Total	44	
<b>COMMENTS:</b> In FY98, eight USAID policies, strategies, and program reflect SSO3’ s intervention at the Agency level. The highlight of G/ENV’ s SSO3 Agency leadership was spearheading USAID’ s Global Climate Change Initiative and helping set the USG international technology development and deployment agenda. In the technology development and deployment arena the SSO3 took the lead for the Agency in the conceptualization and development of TCAPP, worked with PCAST to draft a position paper for the Committee, and brought USAID’ s programs to the White House. The focal areas of G/ENV’ s SSO3 mission level leadership was in helping mission shape landmark sustainable energy initiatives. As the lead for the Agency in global climate change, the SSO3 team marshaled Agency resources for GCC, continued to improve the Agency’ s position in foreign policy formulation, and acted as a liaison on GCC issues with the White House. SSO3 also worked closely with missions in Brazil, Ghana, Mexico, India, Central America, South Africa, and the Philippines to design sustainable energv strategies.			

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT SSO3:</b> Agency Environmental Objectives Advanced in International Forums through G/ENV International Leadership			
<b>VALUE-ADDED INDICATOR 4:</b> Number of international policies, strategies, programs, and projects influenced by G/ENV leadership			
<b>UNIT OF MEASURE:</b> Number of international strategies, programs, and projects. (May include international conventions, MDB, and other donors, USG initiatives, etc.)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	6
<b>SOURCE:</b> Discussions with the SSO3 team	1998	4	9
	1999	4	
<b>INDICATOR/DESCRIPTION:</b> Number of international policies, strategies, programs, and projects influenced by G/ENV leadership. This may include international conventions, MDB and other donors, or USG initiatives.	2000	4	
	2001	4	
<b>COMMENTS:</b> The SSO3 team was instrumental in helping to fulfill U.S. foreign policy objectives and commitments in two key areas, advancing five programs. The highlight of G/ENV’s SSO3 team’s international leadership was in continuing to shape the U.S. government’s position on global climate change. This involved support in preparation for the Conference of Parties in Buenos Aires (COP4), articulating the USG opinion at the Kyoto negotiations (COP3), and structuring the USG position on technology cooperation under the Framework Convention on Climate Change (UNFCC). In the second key area, SSO3 interventions focused on catalyzing openings for renewable energy projects in the multilateral development banks.	2002	5	
	2003	5	
	Total	29	

**SPECIAL OBJECTIVE: IMPROVED RESPONSE TO CLIMATE CHANGE****SpO Summary**

A discussion of G/ENV technical leadership results on global climate change issues for FY98 is included in the introduction to this document and in the narrative for each SSO. Results include leading an agency-wide effort to develop and launch USAID's five-year, \$1 billion Climate Change Initiative; developing a set of common indicators and collecting baseline data to measure climate-related results of USAID activities in the agriculture, biodiversity, energy, forestry, and urban sectors; and providing leadership for the Agency in international negotiations on climate change, particularly on technology cooperation. Through these achievements, G/ENV has lead the Agency in setting clear priorities and objectives for achieving key results under the Initiative, while contributing to U.S. Government efforts to advance climate change policy.

In FY99, a Special Objective for Climate Change will be added to G/ENV's three Strategic Support Objectives in order to provide greater focus to the Agency's climate change agenda and reduce the burden on G/ENV SSO staff. This SpO will measure the effectiveness with which the Global Center for Environment manages and provides technical leadership for the Agency's Climate Change Initiative. Establishment of the Special Objective provides dedicated resources to implement the Initiative and support field staff in their efforts to improve their ability to address climate change. The focus of implementation will shift from garnering support and establishing monitoring and reporting procedures, to refining programmatic activities to achieve greater climate benefit.

## **CENTER FOR ENVIRONMENT – FY 2001 Resource Request**

### **FINANCIAL PLAN**

#### **1. PROGRAM BUDGET REQUEST**

The G/ENV program budget request is in accordance with the budget levels established in its management contract with the Global Bureau. The levels requested are the same as our CP 2000 request of \$43 million. Below is a brief discussion of the program budget request by SSO.

##### **A. SSO1: Increased and Improved protection and Sustainable Use of Natural Resources**

For SSO1, the Center requests \$10 million in Development Assistance (DA) funds for FY 2001.

At this funding level, SSO1 will be able to carry out a comprehensive Biodiversity Conservation program which is underfunded by \$2.3 million or by just over 50% in FY99. The SSO1 team will also increase funding for the Forest Management, Water and Coastal Resources and Environmental Education Intermediate Results (IR) teams by some 10% over FY99 levels to meet critical gaps in those programs.

##### **B. SSO2: Improved Management of Urbanization in Targeted Areas**

For SSO2, the Center is requesting \$9 million in DA funds for FY 2001. (See discussion below of Urban Environment (UE) credit subsidy request for possible additional requirements for DA funding.)

At this funding level, SSO2 will be able to continue field support provided by RUDOs to USAID Missions in their respective regions; enhance the Administrator's Making Cities Work initiative; expand the Resource Cities partnership program; implement specific field support activities under the Sustainable Urban Management IQCs; promote Environmental Management Systems and Cities for Climate Protection activities in support of GCC efforts in urban settings; and, complete the PLAN International partnership on "Credit for Habitat". Most of these activities are not funded in FY99 as a result of the unsustainable low budget level for SSO2.

##### **C. SSO3: Increased Environmentally Sustainable Energy Production and Use**

For SSO3, the Center is requesting \$18 million in DA funds for FY 2001.

At this funding level, SSO3 will be able to fund the following activities which were unfunded in FY99 as a result of the reduction of \$2 million from the historical Congressional directed level of \$18 million: Environmental Partnerships, GCC leadership in the energy sector, and critical demand driven Mission support activities.

##### **D. SpO1: Climate Change**

For SpO1, the Center requests \$6 million in DA funds for FY 2001

This level is a straight-line of the FY 2000 CP request and will allow for the continuing implementation of the Agency Climate Change Initiative.

## **2. UE CREDIT PROGRAM SUBSIDY LEVELS**

The Center is requesting \$10 million in subsidy for the Urban and Environment Credit Program (UE Credit Program) in FY 2001. The increase in UE subsidy levels is based on the UE mortgage projected as of the end of FY 1999 under the commitments described below:

<u>Country</u>	<u>LOP</u>	<u>Authorized</u>	<u>Disbursed</u>	<u>Undisbursed</u>	<u>Mortgage</u>	<u>Subsidy</u>
Czech Republic	60.0M	60.0M	44.0M	16.0M	0M	0
India	125.0M	55.0M	25.0M	30.0M	70.0M	16.9M
Indonesia	125.0M	100.0M	75.0M	25.0M	25.0M	9.5M
Morocco	100.0M	72.8M	60.0M	12.8M	27.2M	3.5M
South Africa	202.3M	167.2M	134.2M	33.0M	35.1M	3.0M
Zimbabwe	50.0M	40.0M	40.0M	0M	10.0M	2.4M
Totals	\$662.3M	\$495.0M	\$378.2M	\$116.8M	\$167.3M	\$35.3M

Depending on how the process of consolidating all credit programs under DCA proceeds, this \$10 million subsidy may either be: a) appropriated as usual under the UE credit program; b) appropriated as DCA for the UE program; or c) approved as transfer authority for the UE program along with an additional allocation of \$10 million of DA to execute the transfer.

## **3. CREDIT ADMINISTRATIVE EXPENSE LEVELS**

To date the UE Administrative Expense budget has provided operating expense funding, including staff, for G/ENV/UP to manage of the Urban and Environment Credit Program and the non-credit urban related activities associated with the Environment Center's SSO2. For FY 2001 G/ENV/UP will need \$5.686 million to continue managing both of these credit and non-credit activities. Last year OMB recommended that the Agency consolidate credit management into one account in FY 2001 and fold the UE Administrative Expense budget into that account for the management of activities associated solely with credit,. As a consequence the Environment Center requests, on behalf of G/ENV/UP, \$5 million for the management of UE and DCA credit activities and that the Agency's Operating Expense appropriation budget \$686,000 in FY 2001 for purposes of reimbursing the consolidated credit appropriation portion related to the UE Credit Program for the non-credit activities G/ENV/UP is responsible for. A procedure for applying the appropriation reimbursement (split-funding) will be adopted. Based on the Agency's Funding Source Policy this appropriations reimbursement procedure will permit G/ENV/UP to manage its workforce and continue to manage the UE Credit Program under the DCA umbrella and the non-credit activities related to the Environment Center's SSO2.

In FY 1999 G/ENV/UP weathered nearly an 18% cut in the UE credit administrative expense budget and as a result has restructured to the “bare-bones” in order to maintain a minimal level of accountability and still be responsive to the improved management of credit as well as the sustained implementation of SSO2. These restructuring efforts have included the closing of two Regional Urban Development Offices and a reallocation of staff to better serve the dual credit and urban needs of G/ENV/UP as well as fine tune the overall administrative expense budget. The justification for a \$5.686 million level for G/ENV/UP to manage these joint responsibilities are the on-going UE mortgage of \$167.3 million, and the requested \$10 million UE credit subsidy and \$9 million of DA funds in FY 2001 to achieve targeted results.

## **WORKFORCE, TRAINING, OE AND PROGRAM FUNDED TRAVEL**

### **A. Workforce**

The OE funded direct hire workforce request tables reflect the targets established by the Global Bureau. The UE funded direct hire workforce request for FY 2001 totals 25: 10 overseas and 15 in AID/W.

The AID/W program funded workforce will increase by two for the Climate Change SpO from FY99 to FY2000 to a total of 24 and remain at that level for FY2001. We project an increase of one AAAS fellow from 7 in FY99 to 8 in FY2000 and FY2001.

### **B. Training**

The Center requests \$125,000 of OE funds in FY2000 and in FY2001 to continue its staff technical training and development programs.

### **C. Travel**

The Center requests \$76,000 of EO funds and \$225,000 in program authority for travel in FY2000 and FY2001.

# FY 1999 Budget Request by Program/Country

06-Apr-99

03:50 PM

Approp Acct: DA  
Scenario: Base Level

Program/Country:  
(Enter either DA/CSD; ESF; NIS; or SEED)

FY 1999 Request																
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G	Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 99
SO 1: Improved Protection and More Sustainable Use of Natural Resources, Principally Forests, Biodiversity, and Coastal and Freshwater Ecosystems																
	Bilateral	7											7		9	4
	Field Spt	0														
		7	0	0	0	0	0	0	0	0	0	0	7	0	9	4
SO 2: Improved Management of Urbanization in Targeted Areas																
	Bilateral	4											4		3	3
	Field Spt	0														
		4	0	0	0	0	0	0	0	0	0	0	4	0	3	3
SO 3: Increased, Environmentally Sustainable Energy Production and Use																
	Bilateral	16											16		17	16
	Field Spt	0														
		16	0	0	0	0	0	0	0	0	0	0	16	0	17	16
SpO 1: Reduced Threat to Sustainable Development from Global Climate Change																
	Bilateral	2											2		1	1
	Field Spt	0														
		2	0	0	0	0	0	0	0	0	0	0	2	0	1	1
SO 5:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		29	0	0	0	0	0	0	0	0	0	0	29	0	30	24
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROGRAM</b>		<b>29</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>30</b>	<b>24</b>

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	29
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	29
Dev. Assist ICASS	
Dev. Assist Total:	29
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account



# FY 2000 Budget Request by Program/Country

06-Apr-99

03:50 PM

Program/Country:  
(Enter either DA/CSD; ESF; NIS; or SEED)

Approp Acct: DA  
Scenario: Base Level

FY 2000 Request																
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G	Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 00
SO 1: Improved Protection and More Sustainable Use of Natural Resources, Principally Forests, Biodiversity, and Coastal and Freshwater Ecosystems															Year of Final Oblig:	
	Bilateral	9											9		7	6
	Field Spt	0														
		9	0	0	0	0	0	0	0	0	0	0	9	0	7	6
SO 2: Improved Management of Urbanization in Targeted Areas															Year of Final Oblig:	
	Bilateral	5											5		4	4
	Field Spt	0														
		5	0	0	0	0	0	0	0	0	0	0	5	0	4	4
SO 3: Increased, Environmentally Sustainable Energy Production and Use															Year of Final Oblig:	
	Bilateral	17											17		17	13
	Field Spt	0														
		17	0	0	0	0	0	0	0	0	0	0	17	0	17	13
SpO 1: Reduced Threat to Sustainable Development from Global Climate Change															Year of Final Oblig:	
	Bilateral	6											6		4	3
	Field Spt	0													0	0
		6	0	0	0	0	0	0	0	0	0	0	6	0	4	3
SO 5:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		37	0	0	0	0	0	0	0	0	0	0	37	0	32	26
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROGRAM</b>		<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>32</b>	<b>26</b>

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	37
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	37
Dev. Assist ICASS	
Dev. Assist Total:	37
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

# FY 2001 Budget Request by Program/Country

06-Apr-99

03:50 PM

Approp Acct: DA  
Scenario: Base Level

Program/Country:  
(Enter either DA/CSD; ESF; NIS; or SEED)

		FY 20001 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Improved Protection and More Sustainable Use of Natural Resources, Principally Forests, Biodiversity, and Coastal and Freshwater Ecosystems															Year of Final Obligation:		
	Bilateral	10											10		9	7	70
	Field Spt	0															
		10	0	0	0	0	0	0	0	0	0	0	10	0	9	7	70
SO 2: Improved Management of Urbanization in Targeted Areas															Year of Final Obligation:		
	Bilateral	9											9		7	6	63
	Field Spt	0															
		9	0	0	0	0	0	0	0	0	0	0	9	0	7	6	63
SO 3: Increased, Environmentally Sustainable Energy Production and Use															Year of Final Obligation:		
	Bilateral	18											18		17	14	126
	Field Spt	0															
		18	0	0	0	0	0	0	0	0	0	0	18	0	17	14	126
SpO 1: Reduced Threat to Sustainable Development from Global Climate Change															Year of Final Obligation:		
	Bilateral	6											6		6	3	42
	Field Spt	0															
		6	0	0	0	0	0	0	0	0	0	0	6	0	6	3	42
SO 5:															Year of Final Obligation:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:															Year of Final Obligation:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Obligation:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Obligation:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		43	0	0	0	0	0	0	0	0	0	0	43	0	39	30	301
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		43	0	0	0	0	0	0	0	0	0	0	43	0	39	30	301

FY 01 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	43
Program ICASS	0
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	43
Dev. Assist ICASS	
Dev. Assist Total:	43
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

FY 1999 Estimate	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>OE Funded: 1/</b>																
U.S. Direct Hire								0							0	25
DH - UE (AID/W)		15						15							0	15
DH - UE (RUDOS)		9						9							0	9
Subtotal	0	24	0	0	0	0	0	24	0	0	0	0	0	0	0	49
<b>Program Funded 1/</b>																
U.S. Citizens	5	4	9				2	20						2	2	22
<b>Total Direct Workforce</b>	5	28	9	0	0	2	0	44	0	0	0	0	0	2	2	71
Fellows	5	1						6						1	1	7
<b>TOTAL WORKFORCE</b>	10	29	9	0	0	2	0	50	0	0	0	0	0	3	3	78

1/ Excludes TAACS, fellows, and IDIs

	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2000 Target</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire								0							0	25
DH - UE (AID/W)			15					15							0	15
DH - UE (RUDOS)			10					10							0	10
Subtotal	0	25	0	0	0	0	0	25	0	0	0	0	0	0	0	50
<b>Program Funded 1/</b>																
U.S. Citizens	5	4	9				4	22						2	2	24
<b>Total Direct Workforce</b>	5	29	9	0	0	4	0	47	0	0	0	0	0	2	2	74
Fellows	5	1						6						2	2	8
<b>TOTAL WORKFORCE</b>	10	30	9	0	0	4	0	53	0	0	0	0	0	4	4	82

1/ Excludes TAACS, fellows, and IDIs

	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2000 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire								0							0	25
DH - UE (AID/W)			15					15							0	15
DH - UE (RUDOS)			10					10							0	10
Subtotal	0	25	0	0	0	0	0	25	0	0	0	0	0	0	0	50
<b>Program Funded 1/</b>																
U.S. Citizens	5	4	9				4	22						2	2	24
<b>Total Direct Workforce</b>	5	29	9	0	0	4	0	47	0	0	0	0	0	2	2	74
Fellows	5	1						6						2	2	8
<b>TOTAL WORKFORCE</b>	10	30	9	0	0	4	0	53	0	0	0	0	0	4	4	82

1/ Excludes TAACS, fellows, and IDIs

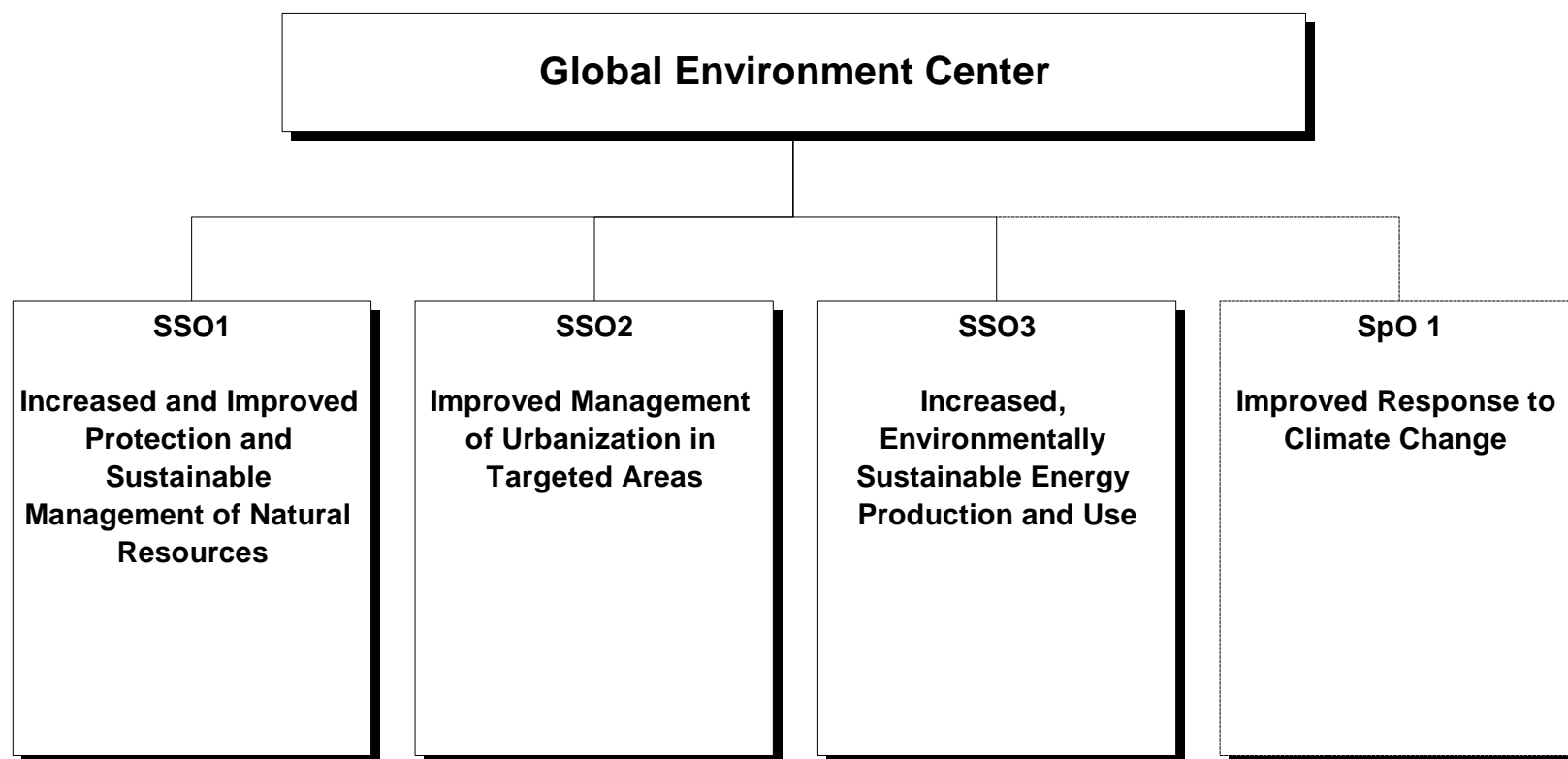
	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2001 Target</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire								0							0	24
DH - UE (AID/W)			15					15							0	15
DH - UE (RUDOS)			10					10							0	10
Subtotal	0	25	0	0	0	0	0	25	0	0	0	0	0	0	0	49
<b>Program Funded 1/</b>																
U.S. Citizens	5	4	9				4	22						2	2	24
<b>Total Direct Workforce</b>	5	29	9	0	0	4	0	47	0	0	0	0	0	2	2	73
Fellows	5	1						6						2	2	8
<b>TOTAL WORKFORCE</b>	10	30	9	0	0	4	0	53	0	0	0	0	0	4	4	81

1/ Excludes TAACS, fellows, and IDIs

	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2001 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire								0							0	24
DH - UE (AID/W)			15					15							0	15
DH - UE (RUDOS)			10					10							0	10
Subtotal	0	25	0	0	0	0	0	25	0	0	0	0	0	0	0	49
<b>Program Funded 1/</b>																
U.S. Citizens	5	4	9				4	22						2	2	24
<b>Total Direct Workforce</b>	5	29	9	0	0	4	0	47	0	0	0	0	0	2	2	73
Fellows	5	1						6						2	2	8
<b>TOTAL WORKFORCE</b>	10	30	9	0	0	4	0	53	0	0	0	0	0	4	4	81

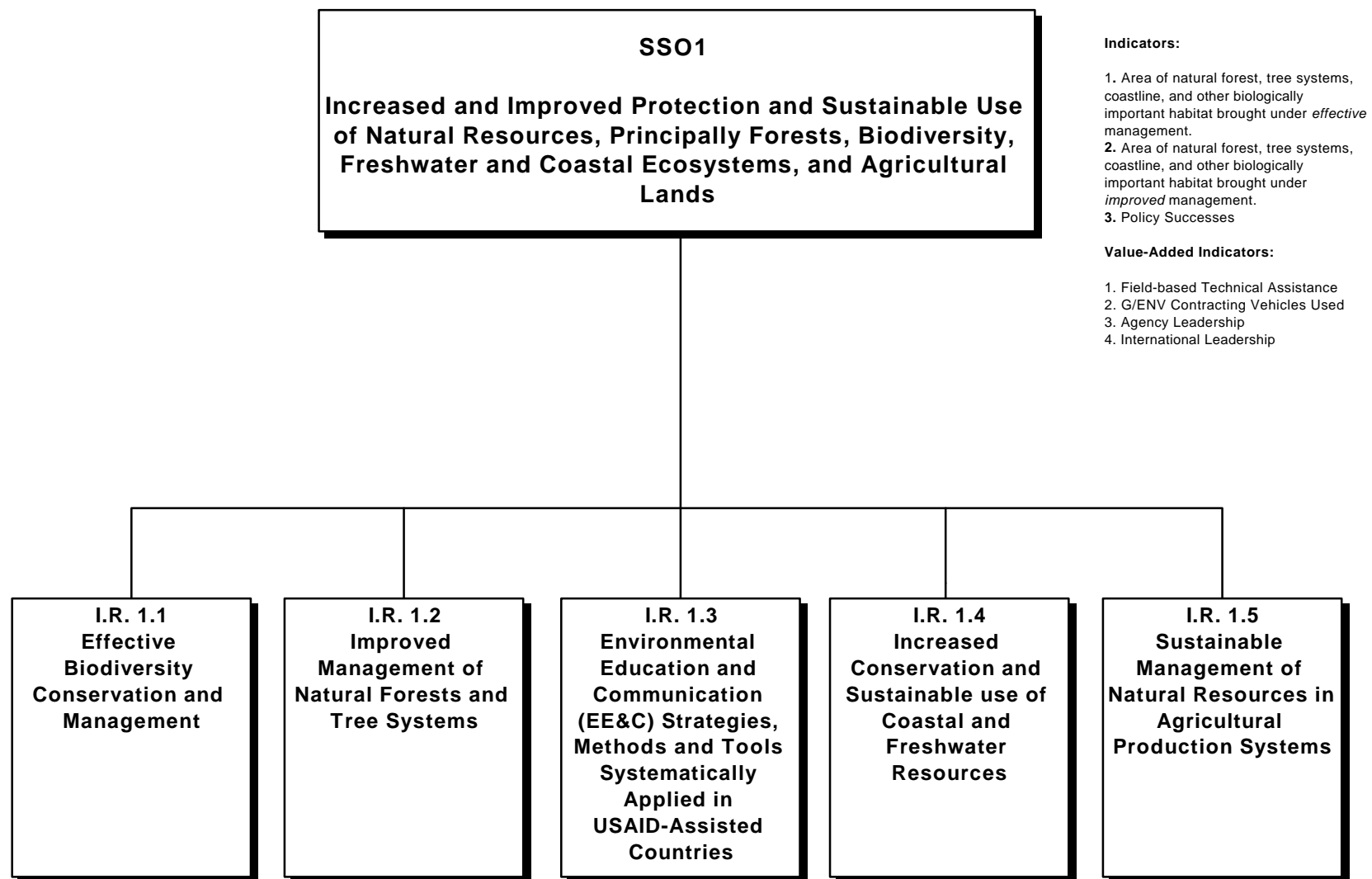
1/ Excludes TAACS, fellows, and IDIs

OC	Resource Category Title	FY 1999 Estimate	FY 2000 Target	FY 2000 Request	FY 2001 Target	FY 2001 Request
11.8	<b>Special personal services payments</b> IPA/Details-In/PASAs/RSSAs Salaries	Do not enter data on this line.				
	<b>Subtotal OC 11.8</b>	0.0	0.0	0.0	0.0	0.0
12.1	<b>Personnel Benefits</b> IPA/Details-In/PASAs/RSSAs Salaries					
	<b>Subtotal OC 12.1</b>	0.0	0.0	0.0	0.0	0.0
21.0	<b>Travel and transportation of persons</b> <b>Training Travel</b> <b>Operational Travel</b>	Do not enter data on this line.				
	Site Visits - Headquarters Personnel	50.0	50.0	50.0	50.0	50.0
	Site Visits - Mission Personnel					
	Conferences/Seminars/Meetings/Retreats					
	Assessment Travel	26.0	26.0	26.0	26.0	26.0
	Impact Evaluation Travel					
	Disaster Travel (to respond to specific disasters)					
	Recruitment Travel					
	Other Operational Travel					
	<b>Subtotal OC 21.0</b>	76.0	76.0	76.0	76.0	76.0
23.3	<b>Communications, Utilities, and Miscellaneous Ch</b> Commercial Time Sharing	Do not enter data on this line.				
	<b>Subtotal OC 23.3</b>	0.0	0.0	0.0	0.0	0.0
24.0	<b>Printing &amp; Reproduction</b> Subscriptions & Publications	Do not enter data on this line.				
	<b>Subtotal OC 24.0</b>	0.0	0.0	0.0	0.0	0.0
25.1	<b>Advisory and assistance services</b> Studies, Analyses, & Evaluations Management & Professional Support Services Engineering & Technical Services	Do not enter data on this line.				
	<b>Subtotal OC 25.1</b>	0.0	0.0	0.0	0.0	0.0
25.2	<b>Other services</b> Non-Federal Audits Grievances/Investigations Manpower Contracts Other Miscellaneous Services Staff training contracts	Do not enter data on this line.				
	<b>Subtotal OC 25.2</b>	0.0	0.0	0.0	0.0	0.0
25.3	<b>Purchase of goods and services from Government</b> DCAA Audits HHS Audits All Other Federal Audits Reimbursements to Other USAID Accounts All Other Services from other Gov't. Agencies	Do not enter data on this line.				
	<b>Subtotal OC 25.3</b>	0.0	0.0	0.0	0.0	0.0
25.7	<b>Operation &amp; Maintenance of Equipment &amp; Storage</b>					
	<b>Subtotal OC 25.7</b>	0.0	0.0	0.0	0.0	0.0
25.8	<b>Substance and support of persons (contract or Gov't.)</b>					
	<b>Subtotal OC 25.8</b>	0.0	0.0	0.0	0.0	0.0
26.0	<b>Supplies and Materials</b>					
	<b>Subtotal OC 26.0</b>	0.0	0.0	0.0	0.0	0.0
31.0	<b>Equipment</b> ADP Software Purchases ADP Hardware Purchases					
	<b>Subtotal OC 31.0</b>	0.0	0.0	0.0	0.0	0.0
	<b>TOTAL BUDGET</b>	76.0	76.0	76.0	76.0	76.0

**ANNEX A: RESULTS FRAMEWORKS****G/ENV Results Framework**

Note: Please see Annex D for details on IR-level indicators.

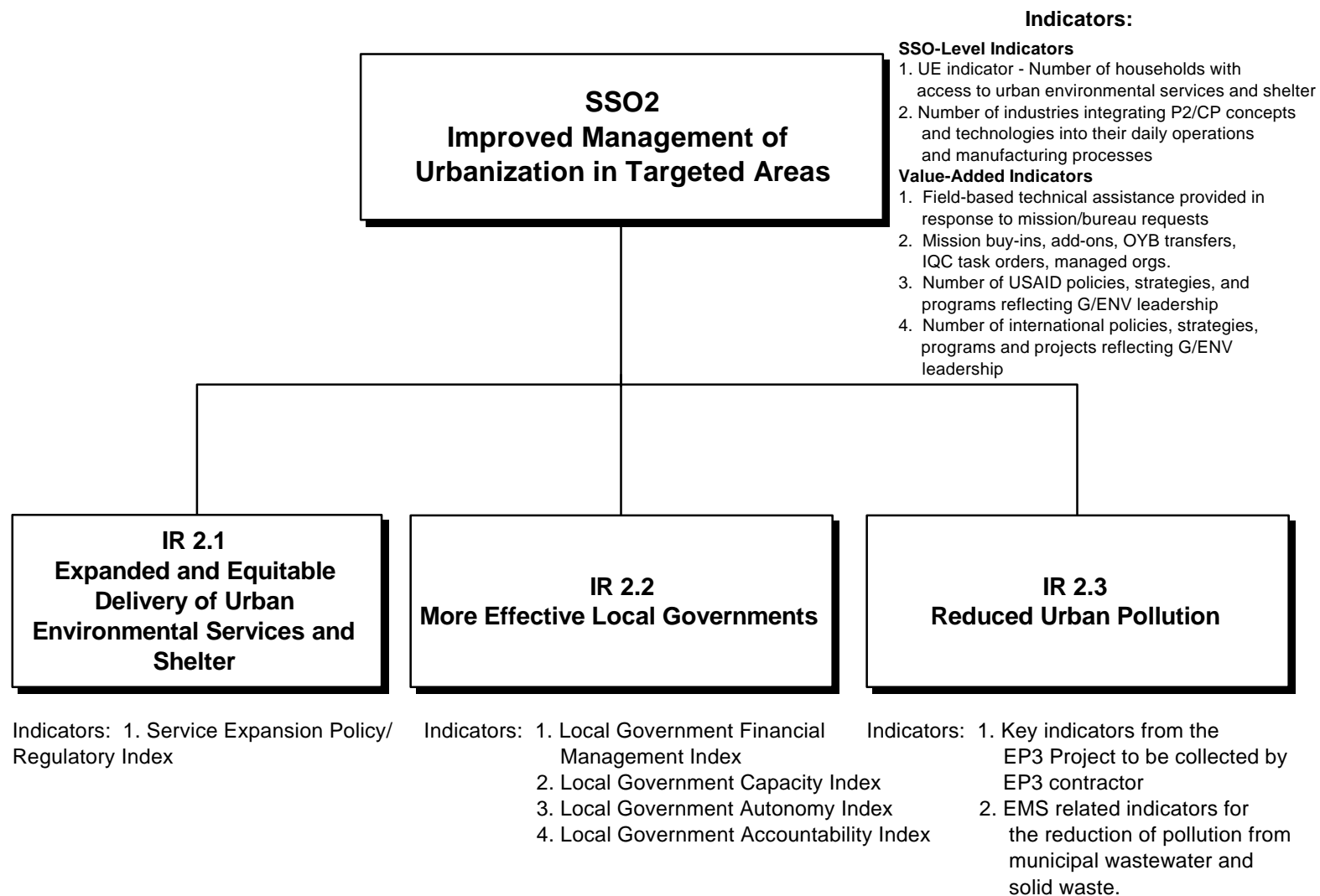
## SSO1 Results Framework



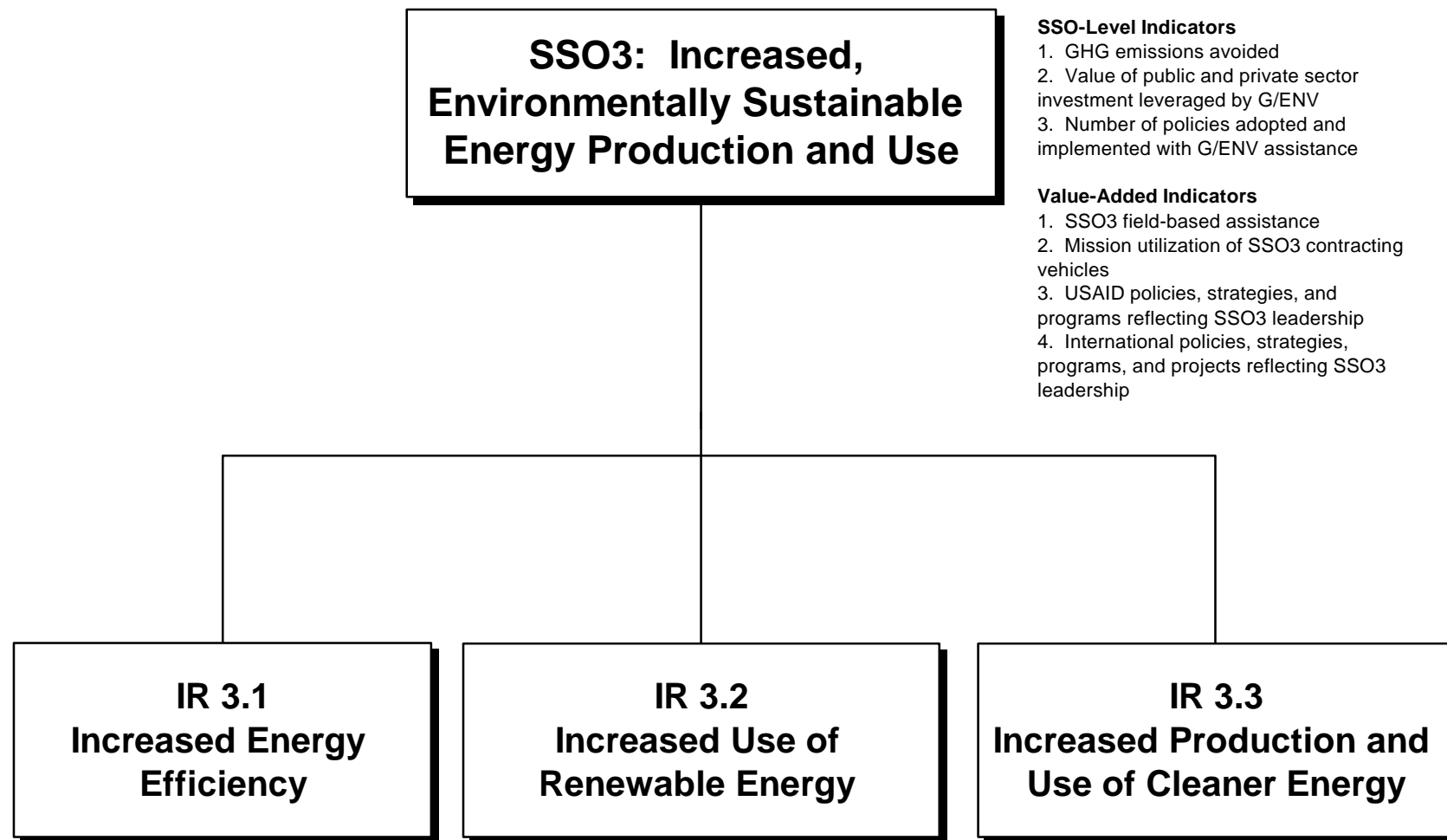
Note: Please see Annex D for details on IR-level indicators.



## SSO2 Results Framework



Note: Please see Annex D for details on IR-level indicators.

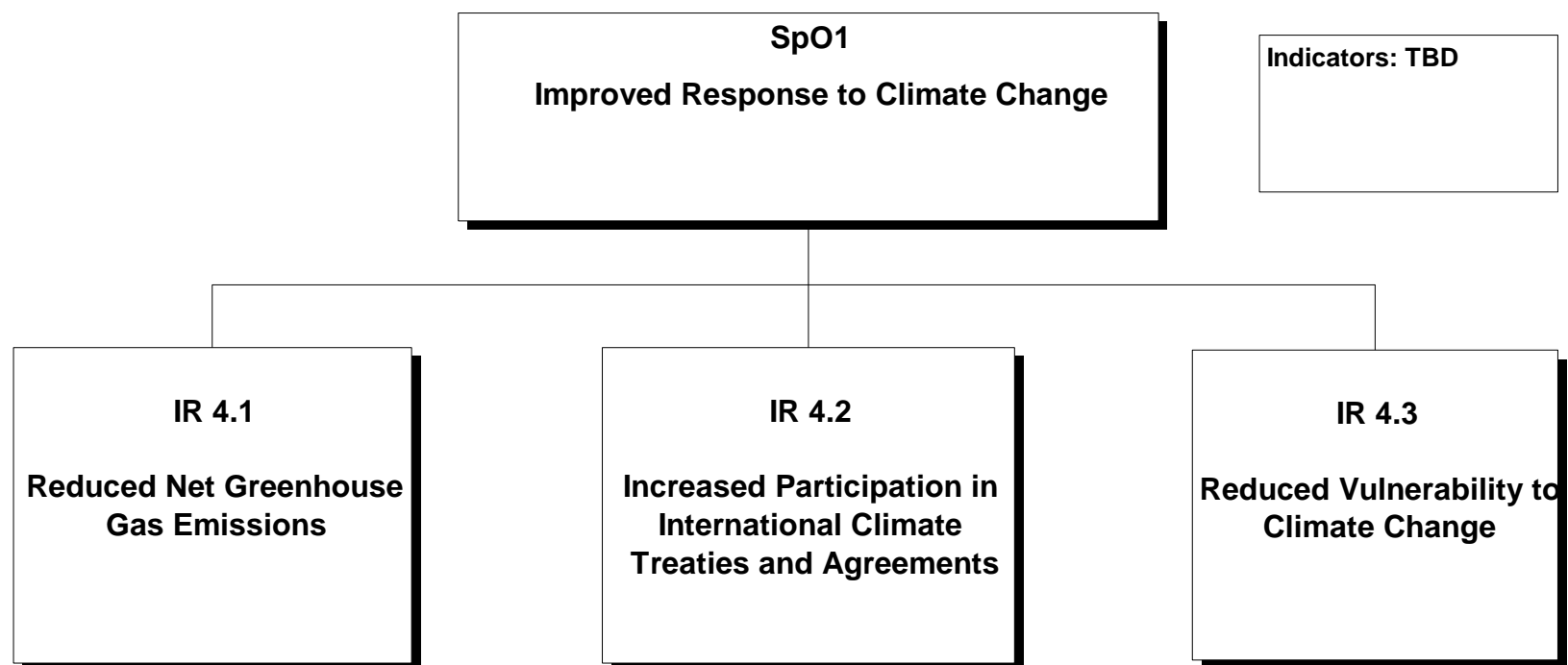
**SSO3 Results Framework**

Note: Please see Annex D for details on IR-level indicators.

**- DRAFT -**

**SpO1 Results Framework**

[This results framework is still under development]



**ANNEX B: ENVIRONMENTAL COMPLIANCE**

USAID's environmental review procedures are mandated by statute, Federal Regulation, and Executive Order. Environmental review procedures, according to USAID policy, are basic to the design of any program, activity, or amendment, and, when needed, require appropriate mitigative measures or activity redesign to ensure environmental stability. USAID follows environmental procedures as outlined in 22 CFR 216.3(a)(2)(iii) (22 CFR Part 216), dated October 9, 1980.

Responsibilities for meeting the requirements and objectives of the Agency's environmental procedures are similar to those for other USAID Bureaus in that Operating Unit Directors and/or designated representatives must clear and sign Initial Environmental Examinations (IEEs) and, if necessary, Scoping Statements, Environmental Assessments (EAs), and Environmental Impact Statements (EISs). Furthermore, each Strategic Objective team is responsible for compliance with all requirements of 22 CFR Part 216 as a fundamental element in its approaches and internal procedures for achieving its strategic objective. Intermediate Results teams, which often have the primary responsibility for activity compliance, must (1) ensure that adequate time is allowed during the design process to conduct all environmental studies/evaluations required under 22 CFR Part 216, (2) allow for public participation and comment, (3) provide each document to the Global Bureau Environmental Officer (BEO) for review and clearance, and (4) allow for incorporation of final decisions into final designs. Finally, each program, activity, or amendment must be monitored and evaluated for compliance with 22 CFR Part 216.

**SSO1**

Each of the IR teams has an approved Initial Environmental Assessment, which describes planned activities, identifies expected environmental impacts, and, as appropriate, outlines actions to monitor and mitigate potential adverse environmental impacts. The Global BEO approved a negative determination, per 22 CFR Part 216, for each of the four IR teams under this SSO.

**SSO2**

During FY97, G/ENV/UP initiated a proactive review of the UE program's compliance with the Agency's Environmental Procedures (22 CFR Part 216.) The purpose of this exercise was to verify that conditions set in IEEs for selected programs were being met. This review process was not a requirement of the IEEs but instead was initiated to confirm SSO2's commitment to integrate environmental procedures into its UE activities. Reviews were conducted for Tunisia, Morocco, India, and the Czech Republic. For each country review, the Global BEO certified that the programs were in compliance with the Agency's Environmental Procedures.

During FY98, two additional country reviews were to be completed, for Indonesia and South Africa. However, no funds were available for these reviews. G/ENV/UP anticipates that both of these country reviews will be completed during FY99.

**SSO3**

In FY98, a series of IEEs were conducted by an independent firm on a representative sample of programs managed by the SSO3 team. The sample included the India Transportation Task Order, the Mexico Policy and Regulatory Support Task Order, and the Energy IQC Technical Advisory group. On each IEE a “Negative Determination” was recommended for the program. This recommendation was in keeping with USAID’s Environmental Procedures (22 CFR Part 216), which calls for a Negative Determination when the overall actions undertaken by a unit in the Agency will not have a significant adverse effect on the environment. If, during the course of an activity conducted by the SSO3 team, any significant adverse effect on the environment is anticipated, then the responsible manager is required to take proper and effective mitigation steps to minimize or eliminate environmental disturbances, and prepare and carry-out a monitoring and evaluation plan subject to approval by the Global BEO. As work under the Mexico and India task orders was placed on hold due to contracting delays, no further action was taken in FY98. As Task Orders on the Energy IQC and Training IQC will be in place by the second quarter of F99, the SSO3 team expects to conduct a number of new IEEs in FY99.

## ANNEX C: GLOBAL CLIMATE CHANGE

### SSO1

The SSO1 team is committed to working with developing countries and transitioning economies in assisting their efforts to mitigate global climate change. The team's strategic objective of increased and improved protection and sustainable use of natural resources complements the Agency's climate change strategy. As natural forests, tree systems, and other biologically important habitat are conserved, more carbon is sequestered from the atmosphere.

The SSO1 team supports the sustainable management of over 15 million hectares of land in 25 countries, including key global climate change countries and regions. This is accomplished through fostering development of, and dissemination of sustainable forest management policies and techniques; improving management, monitoring and control of forest fires; developing and disseminating reforestation, agroforestry and sustainable agriculture practices; increasing the participation of communities for local natural resources management; and establishing integrated assessment and monitoring systems to better understand changes in forest health, biodiversity conservation and carbon sequestration.

SSO1 technical assistance activities supporting the Agency's climate change objectives include:

#### *Support for the USAID Initiative on Climate Change.*

- Provided technical assistance within Washington to the development of the Agency GCC Initiative indicators. Aided missions in Brazil and Madagascar reporting on these indicators, and helped promote the Agency outlook to the field.
- Presented the Agency's Climate Change Initiative to the Central American missions and their partners at the biannual PROARCA roundtable and to representatives of the European Union at the donor's meeting in Washington.
- Organized and presented courses on USAID regulation 216-2 in Honduras to mission and partners, one in US to USAID employees.
- Conducted and delivered an IEE on the RIH work in Brazil that was requested by LAC and the Mission.
- Supported IUCN study on community forestry that is aimed at increasing the importance of this issue on the IFF agenda.
- Supported the development of, and participated in, the North American test that will be replicated in 5 other sites in US, and is being used to inform decisions in Canada and Mexico on local and international policy on indicators for sustainable forest management.
- Supported preparation of summary paper on *Major Meliaceae* in Nicaragua to serve as a contribution to the CITES debate.
- Supported and helped plan the biennial IITF Caribbean Foresters meeting in the Dominican Republic, June 1998. This year's theme was "Biodiversity in the Caribbean: Its Management and Benefits". In addition to the regional foresters, this meeting had presentations by TNC and the USFS.
- In addition to fire aid in Latin America, provided over 500 hours of mission assistance in forest and park management and program planning.

*Role in tracking international policy in climate change*

- Participated in the development of US policy through continued presence on the Interagency Working Group, Sinks subgroup, chaired by the USDA. This group is charged with developing the US position on Articles 3.3 and 3.4 of the Kyoto Protocol. SSO1 Team members have participated in the preparation of at least seven US submissions to the UNFCCC on these topics. Technical experts to attend the UNFCCC SBSTA technical meetings are also drawn from this group, and our representative was part of the US delegation to the 3.3 workshop in Rome in the Fall of 1998.
- Interpreted information for the Agency concerning the issue of carbon sinks in the international response to climate change.
- Represented the Agency at the USIJI Pilot Project and provided technical the review of several USIJI Pilot projects in the spring of 1998.

*Fire Response*

- Mexico with OFDA—coordinated response and aid, designed follow-up. Included conducting a Fire Recovery Workshop for training and for assisting the prioritization of recovery activities.
- Brazil—coordination of interagency effort with USAID Brazil to assist Brazil in organizing a pre-season strategy for the 1998 fire season.
- Guatemala—provided training and technical assistance before and during El Nino fire season—65 person days. This assistance will double this year. In Haiti, provided community level fire training—24 person days. In Honduras, training in prescribed fire and conducted a post-fire assessment—6 person days.
- Indonesia—leveraged 3.85 million in funds from Emergency Strategic Funds from the State Department for post-fire work
- SE Asia—performed regional analysis of disaster response under the Regional Haze Plan. Submitted recommendations for strengthening of regional coordination.

**SSO2**

For FY99-00, the Urban Programs Office and the Energy Office are collaborating on a set of activities that supports the Agency's Climate Change Initiative. Below is a status report for each activity. This portfolio is managed jointly by IR Teams 2.2 and 2.3 to reduce urban pollution and to promote more effective local governments.

*Cities for Climate Protection.* Under a Cooperative Agreement with the International Council for Local Environmental Initiatives (ICLEI), USAID is supporting a five milestone process to reduce greenhouse gas emissions. To date, ICLEI has placed long-term advisors in Mexico and in the Philippines to facilitate this process. Four cities in Mexico and three cities in the Philippines are participating in the program and have begun establishing emissions inventories. An important component of the ICLEI model is its focus on the development of specific emissions reduction projects – projects likely to be eligible for financing under USAID's Development Credit Authority or the Clean Development Mechanism. Level-of-Effort: two years. Funding: \$200,000 from G/ENV/UP, \$200,000 from G/ENV/EET.

*Industries for Climate Protection.* Climate Wise is a joint EPA/DOE program designed to encourage industries to take advantage of the economic and environmental benefits associated

with energy efficiency improvements and greenhouse gas emissions reductions. Over 400 U.S. companies have enrolled in this program, several of which have facilities or suppliers in developing countries. Under an InterAgency Agreement with EPA, USAID will establish peer partnerships between U.S. participants in the Climate Wise program and, to the extent feasible, their industrial counterparts located in the same cities enrolled in the above Cities for Climate Protection program. This “piggybacking” of the ICLEI and Climate Wise programs has worked well in the U.S. and this is a modest effort to demonstrate it’s replication potential overseas. Level-of-Effort: one year. Funding: \$35,000 from G/ENV/UP; \$35,000 from G/ENV/EET.

*Environmental Management Systems (EMS).* EMS represents a methodology for improving environmental performance over time, including improvements in energy efficiency. Initially, EMS was designed for industrial facilities and processes to obtain ISO 14,000 certification. Certification is desirable to industry because it increases export markets. In FY97, EPA launched a two-year pilot project to demonstrate the feasibility of applying EMS to municipal waste streams. Building on this experience and the experience of EP3’s work applying EMS in the 10<sup>th</sup> of Ramadam in Egypt, USAID will work with municipalities in South Africa and Morocco to further document the benefits or constraints of using an EMS approach to reduce urban pollution and greenhouse gas emissions. Level-of-Effort: one year. Funding: \$250,000 from G/ENV/EET and \$210,000 from G/ENV/UP.

*Resource Cities and GCC.* The Environment Center’s Resource Cities program facilitates partnerships between U.S. cities and cities in developing or transitional countries to address issues of mutual interest. Using ICMA as the facilitator, USAID will seek to establish Resource City and Municipal and State Association partnerships to improve air quality and reduce greenhouse gas emissions. This activity will draw on the expertise of the State and Territorial Air Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO) as well as ICLEI’s domestic Cities for Climate Protection program. ICMA in collaboration with STAPPA, ALAPCO and ICLEI will develop a GCC Resource Cities program for consideration by the Center. In addition, ICMA will coordinate a one or two day workshop for other donors and U.S. government agencies to share information on GCC-related policies and activities. Proposed Level-of-Effort: two years. Estimated level of funding: \$650,000.

### **SSO3**

The SSO3 team is committed to working with developing countries to advance policy, regulatory, economic, and cost-effective technology solutions to the global challenge of climate change. SSO3 represents USAID’s core capacity to lead and support the U.S. government in addressing the energy aspect of the climate change challenge in developing countries. The majority of the activities the SSO3 team supports contribute to the Agency’s global climate change goals. Please see the SSO3 narrative for a discussion of the team’s key global climate change highlights and Annex D for a comprehensive coverage of technology development and deployment activities designed to improve transfer of, or access to, environmentally sound energy technologies.

This section outlines a sample of SSO3 technical assistance activities that promote and facilitate the transfer of “know how” to help developing countries build their capacity for measuring,



monitoring, and reporting their greenhouse gas emissions. These activities are not covered in other sections of the R4. Key technical assistance activities completed with SSO3 support during FY98 include: (a) developing a methodology for a rapid, low-cost identification of energy technologies with the greatest potential to reduce greenhouse gas emissions for key developing countries; (b) drafting the climate change strategy for US/AID Brazil; (c) fostering CDM-related information exchanges between policymakers in Brazil and the U.S. in preparation for COP4; (d) technical advice on energy components of USIJI; (e) assistance to USAID/Guatemala in indicator development and assistance with the first field application of the indicator framework in Central America; and (f) support to the lead author for research and publication on a number of IPCC documents.

These activities demonstrate SSO3's continuing and vigorous commitment to sustainable development and to the objectives of the UN Framework Convention on Climate Change (UNFCCC). As illustrated by the programs outlined, the SSO3 team is working around the world to fulfill this commitment, providing policy advice, information exchanges, technical assistance, and training. All of these actions seek to engage local stakeholders in finding solutions to the dual global challenges of sustainable development and climate change.

**GLOBAL BUREAU ENVIRONMENT CENTER**

**FY 2001**

**RESULTS REVIEW**

**ANNEX D: IR PROGRESS TOWARD OBJECTIVES**

March 15, 1999

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## SSO1 IR PROGRESS TOWARD OBJECTIVES

### IR 1.1: Effective Biodiversity Conservation and Management

#### *Summary*

G/ENV's biodiversity team met or exceeded all of its FY98 performance targets to conserve some of the world's most important tropical forests, coral reefs, grasslands, mangroves, and other critical ecosystems. The program worked in more than 30 countries to achieve five lower-level IRs—strengthened conservation policies, improved management capacity in key sites, increased public awareness of biodiversity conservation, identified conservation areas for future interventions, and increased conservation financing. Taken together, these results helped stakeholders in 14 countries achieve effective biodiversity conservation and management, the program's highest level objective.

#### *Performance and Prospects*

Since 1996, when G/ENV began measuring its performance under re-engineering, the biodiversity team has tracked three key indicators to measure its program performance: hectares under improved management and under effective management, and the number of policy successes. These indicators capture the results achieved in collaboration with a wide array of partners, including missions and bureaus, environmental NGOs, host-country partners, local communities, and other donors.

Over the last three years, the team and its partners helped place 12.4 million hectares in 22 countries under *improved management*, exceeding the target of 11.0 million hectares by 13 percent. In FY98, 1.1 million hectares in eight countries (Brazil, Guatemala, Indonesia, Mexico, Nepal, Papua New Guinea, the Philippines, and Tanzania) attained key management milestones for the first time, and are now classified as having improved management. Programs in Indonesia and Tanzania, which are the locations of some of G/ENV's largest biodiversity programs, made the strongest gains, adding 261,000 hectares and 740,000 hectares, respectively. Over the last three years, 160 sites have improved their management capabilities with Center support. G/ENV and partners have facilitated local participation in the management of 120 sites, implemented management plans at 93 sites, strengthened institutional capacity at 135 sites, and conducted ongoing monitoring at 99 areas. Conservation institutions in 89 sites now have a demonstrated capacity for adaptive management; that is, they are actively monitoring and responding to conservation threats and opportunities.

As a result of the management milestones described in the previous paragraph, 861,000 hectares achieved *effective management* since FY96, 8 percent over the target of 800,000 hectares. These sites have met two critical conditions: (i) habitat quality has been maintained and/or improved, or the rate of degradation has been significantly reduced; and (ii) institutions have demonstrated an ability to manage their sites adaptively. Under this indicator, the number of sites being effectively managed doubled from 30 sites in FY96 and FY97 to 60 sites this year. Gains were particularly strong in Indonesia and the Philippines, which added 125,000 hectares and 182,222 hectares, respectively. These new areas represent an array of ecosystems. For example in

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Bolivia, Madidi National Park contains numerous and diverse habitats, starting in the Amazon with lowland tropical rainforest, climbing through dry tropical forest and montane cloud forest, and reaching pampas grasslands at 18,000 feet in the Andes Mountains. Scientists estimate that 1,000 bird species, or roughly 11 percent of all bird species on the planet, can be found in the region. The Philippines' 117,000-hectare Tala and Busuanga Islands harbor some of the richest coral reefs in the world. Nepal's Humla district is located in an isolated transition zone between the distinct botanical regions of the Western and Eastern Himalaya, and is a pocket of high diversity of distinctive vegetation. Other new sites achieving effective management are located in Guatemala, India, and Peru.

The program also met its target of 10 *policy successes* in FY98, totaling 38 successes since 1996 that have had a tangible conservation benefit. Policy successes were achieved in India, Indonesia, Papua New Guinea, and the Philippines in FY98. G/ENV programs have led to significant improvements in implementing existing policy frameworks that promote conservation. For example in Papua New Guinea, 21 communities agreed to forbid mining in the Crater Wildlife Management Area. In the Philippines, a memorandum of agreement, signed by the Department of Environment and Natural Resources, recognizes community maps that document traditional uses of natural resources.

### *Key Results*

Examples in Indonesia and Brazil illustrate how sites under effective management are successfully responding to biodiversity threats and opportunities, and are maintaining and even improving habitat quality.

*Community Maps Help Conserve Traditional Lands in Indonesia.* In the Semandang Kiri site of Indonesia, which contains 23,000 hectares of tropical moist forest harboring a rich variety of plants and animals, a community map and conservation agreement became vital tools for a local village's struggle to maintain control over its traditional territory. G/ENV partners helped develop consensus among local villagers on resource management goals through a review of current management practices, followed by a consensus-based planning process. Community members agreed to put in place new measures to protect the forest and to ban hunting of threatened species. Moreover, they took steps to counter a large oil palm operation that had set its sights on converting the forest into a commercial plantation. Relying on their maps and on an economic valuation that detailed the worth of their current production systems, the community achieved an important victory by convincing the government to deny the commercial operation access to the territory, saving the forests from certain destruction.

*G/ENV Participatory Approaches Protect Brazil's Atlantic Forest.* Since 1996, G/ENV has supported the Brazilian NGO Institute of Socio-Environmental Studies of South Bahia to implement a participatory and integrated program aimed at conserving the Atlantic Forest of northeast Brazil, where a single hectare of land may contain 450 tree species, a world record. This NGO aims to find economic alternatives to logging and agricultural expansion, which have destroyed 95 percent of the Atlantic Forest over the centuries. G/ENV has supported forest policy reform, agricultural credits and extension, biological research, and ecotourism around the Una Biological Reserve. In FY98, these activities passed several significant milestones. Working with Brazil's most widely watched news program, project staff helped produce a

television program on the Atlantic Forest's environmental decline that reached 36 million viewers. Growing public pressure and a G/ENV forest policy study helped sway the Brazilian government to declare a total suspension of commercial logging throughout the province. In FY97, the government established a new 7,000-hectare park, effectively doubling the area of Atlantic Forest under protection status in the region. According to recent aerial photos, these conservation actions have had demonstrable ecological benefits that include a net gain of healthy forest inside the Una Reserve.

*Community Monitoring for Adaptive Management in Indonesia.* Community monitoring has become an indispensable tool in the Padaido Islands of Irian Jaya, where G/ENV and its partners are reversing years of damage to coral reefs caused by dynamite and cyanide fishing. Since February 1997, when project staff and local community members began joint monitoring, no notable decline in coral reef habitat or health has been observed. Indeed, blast fishing is at an all-time low. Degraded corals are growing back and butterfly fish, which are used as an indicator species of ecosystem health, are increasing in abundance. Community monitoring has increased local awareness of the importance of managing marine resources and of using monitoring data for decision making. Given these encouraging trends, project staff and local villagers decided on a more proactive approach in their management efforts this year. They launched a live coral transplantation project designed to encourage rejuvenation of previously dynamited reefs. Preliminary data confirms that the transplantation project is working. Coral health is improving and keystone fish communities are increasing in abundance. Equally important, the project's outreach programs are being expanding and community monitoring efforts are providing an excellent approach to gain stakeholder participation in habitat conservation.

### *Research*

G/ENV has placed a high premium on supporting applied research to ensure that conservation funds are effectively channeled to protect and sustainably manage the world's most important areas for biological diversity. Under the Rapid Assessment Program, for example, teams of scientists have carried out seven biological assessments over the last four years to some of the most biologically rich areas in Bolivia, Indonesia, Papua New Guinea, and Peru. The data has provided critical baseline information to decision makers to identify priority areas for conservation and management. Under the Biodiversity Conservation Network, G/ENV is evaluating the effectiveness of enterprise-oriented approaches to community-based biodiversity conservation, such as ecotourism, non-timber forest products, and small-scale logging. Staff are analyzing the social, economic, and environmental factors that determine enterprise success and failure. The findings, which will be widely disseminated in FY99, will help USAID and other donors design effective conservation enterprises in the future.

### *Value-Added Performance*

In addition to achieving all of its program targets, the biodiversity team provided Agency and international leadership and field support to mission. This year, the team contributed to six major Agency policy and institutional strengthening advancements and three international achievements in areas that include performance monitoring, global climate change, Agency-NGO partnerships, and new procurements to serve missions.

*Agency Leadership*

- The IR team led an inter-bureau working group to develop land-use indicators as part of the Global Climate Change Initiative's performance monitoring plan.
- The team signed a new cooperative agreement with Conservation International to launch the Biodiversity in Regional Development Program, which will promote effective management and conservation at a regional level in Bolivia, Brazil, Indonesia, and Papua New Guinea.
- Specialists contributed to an interdisciplinary, inter-bureau team to prepare a 68-page primer, *Performance Monitoring of USAID Environment Programs: An Introduction to Performance Monitoring and a Review of Current Best Practice*. The primer was disseminated to all USAID missions in an effort to improve the Agency's environmental monitoring.
- Staff organized a series of consultations with leading U.S. conservation organizations to improve USAID's understanding of NGO programs, concerns, and directions. The consultations served as a basis for developing a framework for the biodiversity team's upcoming Global Conservation Initiative. Based on this consultative process, the Agency and NGOs reached a common understanding on biodiversity priorities for the future and strengthened their partnership to work toward these objectives.
- G/ENV experts provided guidance to several high-profile USG tasks: preparation of a White House/National Security Council briefing paper on global forest fires; assistance to the White House to plan the wildlife and Botswana components of the President Clinton's Africa trip; and membership on the State Department's Task Force on Amphibian Decline and Deformation.
- The team identified conservation priorities for USAID support to Vietnam.

*International Leadership*

- Staff facilitated discussions between USAID and the World Bank on environmental issues in Colombia.
- The team worked with the Consultative Group on Biological Diversity (CGBD), a coordinating secretariat for U.S. private donor groups on biodiversity issues, to increase public awareness on the issues related to the impact of invasive species on biodiversity and the global decline of fisheries. Also, G/ENV specialists provided advice to the CGBD on strengthening the institutional capabilities of endowed granting-making organizations.
- Staff successfully promoted the USG position at the Commission on Sustainable Development (CSD) meeting on water resources management to incorporate an ecosystems-based approach which considers aquatic biodiversity as an essential component to the broader water resources management framework. In addition, G/ENV worked to ensure that the Convention on Biological Diversity (CBD) and the CSD operate in a coordinated and complementary fashion with regard to water resources management.

*Field Support.* The team worked with a total of 25 operating units to provide direct technical assistance and access to cooperative agreements with leading U.S. environmental NGOs and government agencies. In FY98, 16 missions and bureaus participated in seven cooperative agreements and two interagency agreements, obligating \$14.7 million. Four missions obligated \$5.3 million for task orders containing major biodiversity objectives under the EPIQ IQC. The largest programs originated from the AFR and ANE Bureaus, USAID/Indonesia, and USAID/Tanzania, which individually obligated over \$1 million for G/ENV-managed biodiversity programs.



In addition, G/ENV provided 183 person days of in-country technical assistance to 14 missions in various aspects of SO planning, implementation, and monitoring for biodiversity conservation:

- As part of the ENI Bureau pre-assessment in Macedonia, G/ENV developed a strategy to conserve biodiversity by building on the successes of Macedonia's first environmental NGO. As a result of this initial work, the program is now being implemented.
- Following a three-year collaborative effort with USAID/Philippines, staff help develop performance indicators for community-based forest management activities that resulted in communities at nearly 50 sites setting forest conservation targets, including monitoring forest cover. This is the first time that communities are determining their own management and biophysical targets and systematically monitoring biophysical trends.
- In Peru, a G/ENV specialist helped design the Mission's new biodiversity initiative and evaluate appropriate interventions and other donor activities. The specialist suggested four potential sites and several policy initiatives for potential USAID support, and drafted a concept paper and SOW for the EPIQ team to conduct a strategic assessment.
- Staff participated in a field evaluation of the Parks in Peril project in Ecuador, Peru, and Guatemala.
- Staff strengthened G/ENV's understanding of promising forest management and biodiversity conservation approaches in Brazil that have the potential to be replicated in other countries. G/ENV also shared information with USAID/Brazil staff on streamlining performance monitoring techniques.
- G/ENV specialist worked with the Government of Brazil to develop a monitoring system for its national park system.
- In Kenya, a technical expert provided USAID officers with updates on wildlife and livestock disease outbreaks in northeastern part of the country.

### *Performance Outlook*

The biodiversity team expects to meet or exceed all of its performance targets for FY99, continuing its untarnished record for exceeding its targets since FY96. However, the team is seriously concerned about its ability to achieve targets in FY00 and beyond due to the unexpectedly large, 50 percent budget cut for the program in FY99. This budgetary reduction means that the team will be unable to fully fund the Global Conservation Initiative, its flagship program scheduled to be awarded in 1999. As a result, conservation targets in several biodiversity priority countries may need to be reduced.

### *Possible Adjustments to Plans*

FY99 will be a transitional year for the team with the completion of one major program and the launching of three new ones. The Rapid Assessment Program (RAP), a cooperative agreement with Conservation International (CI) supporting extensive diagnostic work to identify conservation priorities in four countries, concluded in December 1998. With conservation priorities now identified, G/ENV has entered into a new cooperative agreement with CI for the Biodiversity in Regional Development (BRD) program, which will promote effective management and conservation at a regional level in Bolivia, Brazil, Indonesia, and Papua New Guinea. In addition, the Center awarded an IQC in March 1999 to provide missions and bureaus with a new contracting vehicle to access responsive technical and management expertise in biodiversity and forestry. Likewise, G/ENV will launch the Global Conservation Initiative, a

new global conservation program designed to strengthen partnerships between USAID and NGOs through the competitive awarding of the innovative “leader with associates” (LWA) cooperative agreement.

In addition to preparing for three new procurements, the team streamlined its performance monitoring plan in FY98. Working closely with cooperators, the biodiversity team sought to increase the plan’s usefulness for program management while also avoiding any additional burden for partners. The team now measures three high-level IR indicators and two lower-level indices to track progress across a continuum of site management and policy milestones.

*Major Contract Mechanisms, Grantees, and Collaborating Agencies*

The program’s development partners include NGOs based in the U.S. (Conservation International, World Wildlife Fund, The Nature Conservancy, World Resources Institute, National Fish and Wildlife Foundation); and partner government agencies (Department of the Interior and the Peace Corps). Under the Biodiversity and Forestry IQC, the team will work with Associates in Rural Development (ARD) and Chemonics, the prime contractors, as well as a wide assortment of sub-contractors. In addition, under the upcoming LWA, the team expects to expand its collaboration with new development partners.

## IR 1.1 Performance Data Tables

<b>OBJECTIVE:</b> SSO1: Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas.			
<b>APPROVED:</b> 1996 <b>COUNTRY/ORGANIZATION:</b> USAID/G/ENV			
<b>RESULT NAME:</b> IR 1.1: Effective biodiversity conservation and management			
<b>INDICATOR:</b> Area of habitat under <i>effective management</i>			
<b>UNIT OF MEASURE:</b> Hectares (ha)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Biodiversity Support Program (BSP); 1998 Performance Monitoring Report; December 15, 1998 Neotropical Migratory Bird Conservation Program; Performance Monitoring Plan FY1998; December 1, 1998 Partnership for Biodiversity; Semi-Annual Report; June 1, 1998 through December 15, 1998 Rapid Assessment Program (RAP); Final Report; Keith Alger, LEEANNE ALONSO, Theresa Drake; December 1998	1996	initial year	463,010
	1997	630,000	678,426
	1998	800,000	861,000
	1999	900,000	
	2000	1,000,000	
<b>INDICATOR/DESCRIPTION:</b> Areas under effective management meet two conditions: improvement in habitat quality (the state of native plant and animal populations and the productivity of soil and water), or decrease in the rate of habitat degradation; and demonstration of adaptive management (the institutional ability to monitor and respond to threats and opportunities)			
<b>COMMENTS:</b> Results are cumulative. The number of sites being effectively management doubled from 30 sites in FY96 and FY97 to 60 sites this year. Gains were particularly strong in Indonesia and the Philippines, which added 125,000 hectares and 182,222 hectares, respectively. These new areas represent a wide array of ecosystems. In Bolivia, the Madidi National Park spans lowland tropical rainforest of the Amazon basin to the pampas grasslands of the high Andean plateau, and contains 11 percent of all bird species known in the world. The Philippines' 117,000-hectare Tala and Busuanga Islands harbor some of the richest coral reefs in the world. Nepal's Humla district is located in an isolated transition zone dividing two distinct botanical regions, the Western and Eastern Himalaya, creating a region of high diversity of distinctive vegetation. Other new sites achieving effective management were located in Guatemala, India, and Peru.			

<b>OBJECTIVE:</b> SSO1: Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas.			
<b>APPROVED:</b> 1996		<b>COUNTRY/ORGANIZATION:</b> USAID/G/ENV	
<b>RESULT NAME:</b> IR 1.1: Effective biodiversity conservation and management			
<b>INDICATOR:</b> Area of habitat under <i>improved</i> management			
<b>UNIT OF MEASURE:</b> Hectares (ha)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Biodiversity Support Program (BSP); 1998 Performance Monitoring Report; December 15, 1998 Neotropical Migratory Bird Conservation Program; Performance Monitoring Plan FY1998; December 1, 1998 Partnership for Biodiversity; Semi-Annual Report; June 1, 1998 through December 15, 1998 Rapid Assessment Program (RAP); Final Report; Keith Alger, Leeanne Alonso, Theresa Drake; December 1998	1996	initial year	10,000,000
	1997	10,300,000	10,500,000
	1998	11,000,000	12,400,000
	1999	12,000,000	
	2000	13,000,000	
<b>INDICATOR/DESCRIPTION:</b> Areas under improved management meet two conditions: change in legal status favoring conservation, completion of a local site assessment, participatory design of management actions, development of human and institutional capacity, implementation of management actions, establishment of ongoing monitoring and evaluation system, and demonstration of adaptive management.			
<b>COMMENTS:</b> Results are cumulative. In FY98, 1.9 million new hectares in eight countries (Brazil, Guatemala, Indonesia, Mexico, Nepal, Papua New Guinea, the Philippines and Tanzania) were classified as having achieved improved management. Programs in Indonesia and Tanzania, which are the locations of G/ENV's largest programs, made the strongest gains, adding 261,000 hectares and 740,000 hectares, respectively. Over the last three years, 160 sites have improved their management capabilities with Center support. G/ENV and partners have facilitated local participation in the management of 120 sites, implemented management plans at 93 sties, strengthened institutional capacity at 135 sites, and conducted ongoing monitoring at 99 areas. Conservation institutions in 89 sites now have a demonstrated capacity for adaptive management; that is, they are actively monitoring and responding to conservation threats and opportunities.			

<b>OBJECTIVE:</b> SSO1: Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas.			
<b>APPROVED:</b> 1996 <b>COUNTRY/ORGANIZATION:</b> USAID/G/ENV			
<b>RESULT NAME:</b> IR 1.1: Effective biodiversity conservation and management			
<b>INDICATOR:</b> Documented improvements in biodiversity conservation as a result of strengthened policies or improved policy implementation.			
<b>UNIT OF MEASURE:</b> Number of policy successes	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Biodiversity Support Program (BSP); 1998 Performance Monitoring Report; December 15, 1998 Neotropical Migratory Bird Conservation Program; Performance Monitoring Plan FY1998; December 1, 1998 Partnership for Biodiversity; Semi-Annual Report; June 1, 1998 through December 15, 1998 Rapid Assessment Program (RAP); Final Report; Keith Alger, Leeanne Alonso, Theresa Drake; December 1998	1996	initial year	18
	1997	16	28
	1998	26	38
	1999	36	
	2000	46	
<b>INDICATOR/DESCRIPTION:</b> Policies include laws, regulations, decrees, and agreements that support the conservation and management of biodiversity. Policy implementation can occur at local, regional, national, and international levels, but do not include internal organizational policies. Successful policies include those USAID/G/ENV supported efforts that lead to documented effective management where on-the-ground conservation benefits are observed.			
<b>COMMENTS:</b> Results are cumulative. New policy successes: <ul style="list-style-type: none"> <li>- Agreement from representatives of 21 clans forbidding mining in the Crater Wildlife Management Area, Papua New Guinea.</li> <li>- Alteration of monopsonist Orissa State policy that restricted the sale of sal to a small number of government-appointed agents at fixed prices below market rate, India.</li> <li>- Declaration of special-use forestry zone for Malaya village at Krui, Sumatra, for community forestry and damar production, Indonesia.</li> <li>- Incorporation of community-based maps into kecamatan spatial plans in Nangka Menjalin, Kalimantan, Indonesia.</li> <li>- Legal recognition of rights of local people over marine areas as part of Bendum Ancestral Domain, Philippines.</li> <li>- Local exclusion of corporate extraction to support community-based conservation at Coron Island, Palawan, Philippines.</li> <li>- Memorandum of Agreement to extend Philippine DENR recognition of local people's maps, Philippines.</li> <li>- Recognition of local people's maps by Palawan government authorities, Philippines.</li> <li>- Recognition of sustainable forest management system and rattan production by Bentian Dayak community, Indonesia</li> <li>- Reform of local Ancestral Domain Claim implementation process at Coron Island, Palawan, Philippines.</li> </ul>			

## **IR 1.2: Improved Management of Natural Forests and Tree Systems**

### *Summary*

The IR 1.2 forestry team builds people's capacity to improve land management by developing and disseminating best current technologies and increasing local participation in the use and rehabilitation of forested land, which contributes to the area-based and policy results of SSO1. IR 1.2's progress towards SSO1 results was 'on track' in FY98; however, much of the team's work last year centered on the immediate demands of the disastrous fires spawned by El Nino event that is partially captured as value-added contributions. The team helped coordinate responses or provided direct training and technical assistance to major fire events in SE Asia, Mexico, Brazil, Central America and Russia. This timely and effective short-term assistance has opened several opportunities for follow-on forestry and disaster mitigation activities in these countries, as well as strengthening the team's ongoing program in Brazil and Indonesia.

### *Performance and Prospects*

IR 1.2 is 'on track' for achieving its results targets this performance year. ICRAF's work to increase community participation in land management combined with efforts to rehabilitate land included 9,000 hectares in the Philippine municipal districts of Claveria, Malitbog and Lantapan on the island of Mindanao. The increased participation involved working directly with over 700 farmers and the local governments in each area. Improved monitoring and mapping through aerial videography and biomass assessment improved management of 53,000 hectares in Belize and Brazil. These and other efforts led to a team total of 911,845 hectares under *improved* management. For the indicator of area under *effective* management, the team added 200 hectares for a total of 59,400 hectares. This additional area resulted from Tropical Forestry Foundation (TFF) applied training activities to instruct 24 people in reduced impact harvesting (RIH). This was a demonstration site, so the technology and the understanding of how to use it should be widely disseminated throughout the region. The team has expanded its higher-level indicators to include a third element, policy successes. The baseline number is three for this year, and includes but should increase as the definition and concept is explained to the team's cooperators. The three policy successes for this year are: 1) team-supported studies completed by the Harvard Institute for International Development that directly contributed to the adoption of a legal framework for forestry operations in Russia; 2) ICRAF efforts in Indonesia that led to the government granting tenure to indigenous people working within an agroforestry regime; and 3) collaborative work with the Government of Mexico that led to the establishment of a forest fire coordination unit within the Ministry of Environment that should improve disaster preparedness and response to ultimately improve forest management.

In addition, the forestry team responded to forest fires in Latin America, SE Asia and Russia, coordinating immediate responses and opening doors for long-term work to aid countries improve fire risk prediction, response coordination and post-fire land rehabilitation. Although unanticipated, this work will lead directly to improved management of these forests. The U.S. Forest Service, through the team's Interagency Agreement (IAA), provided over 3,000 person days of technical assistance to aid missions in improving their forest management programs. The forestry team also achieved progress in several research and capacity building programs that

address the underlying issues and policies that impede adoption of improved forest management.

### *Key Results*

- USAID/Indonesia requested IR 1.2 assistance during the SE Asian fires in the fall of 1997, resulting in several follow-on activities in cooperation with the mission beginning in FY98. IR 1.2 leveraged \$1.1 million from the Economic Support Fund (ESF), \$1 million from the International Timber Trade Organization, \$1 million from the Asian Development Bank and \$200K from Japan, to support the team's partners CIFOR, ICRAF, TFF and the USFS investigate underlying causes of the 1997 fires, develop land use strategies to mitigate future fire risk, reduce the impact of forest use, and assist development of a coordinated fire response system under the framework of the ASEAN Regional Haze Action Plan. Together this work will reduce the environmental, health and economic damage from future fires in the region.
- Research to identify and aid adoption of policies supporting better forest practices progresses in several areas. A major study by TFF and the USFS on the costs and benefits of reduced impact harvesting (RIH) in Brazil conclusively demonstrated that this technology is cost-effective compared to conventional practices. Policy studies completed by the Harvard Institute for International Development and USFS economists contributed directly to the development of an improved forestry code in Habarovsk Krai in Russia. Work by CIFOR on RIH also contributed to the adoption of RIH guidelines by the Government of the State of Sabah.
- ICRAF's demonstration and dissemination of conservation farming and agroforestry in the Philippines has evolved into a grassroots movement to improve land management in several places in Mindanao. Working with local farmers, local governments and NGO's, ICRAF scientists helped start farmer organizations in three municipal districts modeled after the U.S. conservation districts, and taught participants how to apply improved technologies. ICRAF also helped local officials design and pass ordinances that support conservation. By the end of FY98, the project had documented over 700 adopters of natural vegetative strips and 230 tree nurseries in the three municipal districts. The Philippines government is considering this conservation district approach as a model for spreading concepts of good management practices throughout the Philippines.
- G/ENV supported CIFOR's development of a methodology for determining criteria and indicators for sustainable forestry on the management unit scale in Indonesia, Cote d' Ivoire, Brazil, and Cameroon. Lessons were brought home in 1998 at the North American test in the Boise National Forest in Idaho that assembled specialists representing private and public interests from Mexico, Canada, and the U.S. to assess the usefulness of the current iteration of CIFOR's methodology. The test results have been widely disseminated and plans are already in process for their use: 1) by the USFS to test 5 additional plots in the US and to inform the USFS's accountability framework; 2) to conduct an additional test in Mexico; 3) to inform revisions of the Canadian CCFM indicators used to monitor national park land in Canada; and 4) to inform the upcoming revisions of the Montreal Process.

### *Value Added Results*

The forestry team has made substantial contributions to the value-added work of SSO1 in Agency and international leadership and in support to field missions. The team is heavily involved in the Agency's work on international agreements such as on global climate change,

and its technical and policy research influences the agenda of other donors, development partners at international research centers, and the USFS. Overall, demand for long-and short-term technical support to missions has been strong.

### *Key Value-Added Results*

- The forestry team coordinated the large-scale, OFDA-funded emergency response to forest fires in Mexico (over 1,000 person days involving 50 forest experts). Follow-on work included USFS collaboration with SEMARNAP and the North American Forestry Commission to design a comprehensive fire prevention and restoration program.
- In collaboration with USAID/Brazil, an ongoing partnership with IBAMA in environmental monitoring was instrumental in helping Brazil and the team's interagency partners develop a coordinated preparedness plan for the extreme fire season of 1998.
- Through an interagency agreement with the USFS, provided over 450 person days of technical assistance in response to requests from USAID missions in Honduras, Nicaragua, Guatemala and the Caribbean region to aid in-country forest agencies in forest planning, fire training and park management development. In Honduras, an IR 1.2-supported environmental assessment course by the Agency led the Mission to request a Regulation 216 (U.S. legislation mandating Initial Environmental Examinations) workshop aimed at both national and international NGOs.
- The forestry team provided technical assistance within Washington to the development of the Agency GCC Initiative indicators and to missions in Brazil and Madagascar for reporting on these indicators. The team also presented the Agency's Initiative to the Central American missions and their partners at the biannual PROARCA roundtable last spring and to representatives of the European Union at the spring donor's meeting in Washington.
- IR 1.2 has played a leading role in tracking international policy, participated in the development of national policy and has helped interpret and present information for the Agency concerning the issue of carbon sinks in the international response to climate change. The team has represented the Agency at the USIJI and Interagency Working Group, Sinks Subgroup and provided technical review of several USIJI Pilot projects. The team also funded an inventory of the CGIAR system's research relevant to climate change that has resulted in formation of a CGIAR working group to assess lessons learned and identify strategies for future research relevant to climate change.

### *Performance Outlook*

The forestry team makes strategic use of limited funds to leverage other donors, influence research agendas and take advantage of windows of opportunity that are often presented by the need for technical assistance. The team expects to continue to make substantial progress in land management policy and planning by building on its collaboration with USAID missions and the opportunities presented by the fire disasters of FY98. To that end, the team will continue to work on identifying the underlying causes of forest fires, assist in developing fire risk assessment, help design coordinated response systems for fires and other disasters, and work to improve the team's technologies in rehabilitation and restoration of land impacted by fire. The team also expects to make substantial progress in assisting TFF establish a concession-size demonstration of RIH in Indonesia. Funding for this has been made available primarily because of previous success in leveraging \$2 million from the International Tropical Timber Organization to support continued training by TFF in Brazil and Indonesia. Finally, the team will continue its



role influencing the agency position on the issue of carbon sinks. However, future participation in site-based programs, and ability to take advantage of future windows of opportunity, is severely threatened by current cuts in program funding. As a result, in FY99 the forestry team will not be able to contribute to successful, ongoing work in community based management by ICRAF and the Asia forest Network (AFN), nor assist with the ICRAF's Alternatives to Slash and Burn program with ICRAF and the sustainable forest management research agenda of CIFOR as planned.

#### *Possible Adjustments to Plans*

IR 1.2 is working to refine its indicators to better reflect program results in capacity building, research and policy development that are fundamental to implementation of improved land management and better land policies in developing countries. The IR 1.2 PMP indicators align with the SSO1 indicators to capture the outcome of long-term, land-based projects, but fail to capture the important yet unanticipated results of the program. As a global team, IR 1.2 provides technical support that contributes significantly to other natural resource management activities and is in a unique position to identify and address some fundamental issues that have worldwide impact. For instance, the results of CIFOR's research on secondary forest management will impact policies and management of secondary forests, which cover an estimated 342 million hectares in Asia, Latin America, and Africa. The potential to improve management is huge, but most will not contribute to hectares that the team can claim under *improved* management. The IR 1.2 role in Agency, interagency, and international climate change issues is another example of a valuable contribution of the team that is not directly reflected in the land area indicator. The team is working to develop indicators to better reflect contributions to land management through capacity building and research, collaboration with mission partners and the technical support provided via the partnership with the USFS. In addition, the team has expanded its higher-level indicators to include a third policy success performance element. The baseline number is three for this year, but should increase as the definition and concept is explained to the team's cooperators.

## IR 1.2 Performance Data Tables

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR	
RESULT NAME: Improved management of natural forests and tree systems			
INDICATOR: Area of natural forest and tree systems brought under <i>effective</i> management			
UNIT OF MEASURE: Hectares	YEAR	PLANNED	ACTUAL
SOURCE: Reports from partners and cooperators			
INDICATOR DESCRIPTION:  Two key conditions must be met for areas to be considered under <i>effective</i> management:  (1) habitat quality is maintained or improved and/or the rate of habitat degradation is reduced; and (2) institutional ability to monitor and respond to threats and opportunities (adaptive management) is demonstrated.  Results are <b>cumulative</b> .  COMMENTS:	1996		
	1997	Baseline	59,200
	1998	60,600	59,400
	1999	62,500	
	2000	65,400	

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR	
<b>RESULTNAME:</b> Improved management of natural forests and tree systems			
<b>INDICATOR:</b> Area of natural forest and tree systems brought under <i>improved</i> management			
<b>UNIT OF MEASURE:</b> Hectares	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Reports from partners and cooperators			
<b>INDICATOR DESCRIPTION:</b>  Natural forests and tree systems are considered under <i>improved</i> management when any of the following steps in site management occurs: site assessment is completed; site/action plan is developed; institutional/community capacity is strengthened; a legal Framework is in place; site management activities are initiated; or monitoring and evaluation is initiated.  Results are reported annually and are <b>cumulative</b> .  <b>COMMENTS:</b>	1996	Baseline	500,000
	1997	632,000	841,200
	1998	1,000,000	911,845
	1999	1,400,000	
	2000	1,750,000	

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR		
<b>RESULT NAME:</b> Improved management of natural forests and tree systems				
<b>INDICATOR:</b> Documented improvements in natural forests and tree systems as a result of strengthened policies or <i>improved</i> policy implementation				
<b>UNIT OF MEASURE:</b> Number of policy successes		<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Reports from partners				
<b>INDICATOR/DESCRIPTION:</b>  Policies include laws, regulations, decrees, and agreements — adopted and organization —which support the conservation and management of natural forests and tree systems. Policies can be designed and implemented at local, regional, national, and international levels. Internal policies of conservation NGOs would not be included in this total. Policy successes are documented examples where G/ENV-supported efforts to improve policies or policy implementation have directly contributed to on-the-ground improvements in natural forests and tree systems.  Results are reported annually and <b>are not cumulative</b> .  <b>COMMENTS:</b> This is a new indicator for IR 1.2 for FY 1998.		1998	Baseline	3
		1999	5	
		2000	5	

### **IR 1.3: Environmental Education and Communication**

#### *Summary*

G/ENV and G/HCD's jointly managed Environmental Education and Communication (EE&C) program promotes the systematic application of EE&C strategies, methods and tools in USAID-assisted countries, to increase the reach and impact of USAID environment objectives and programs. Program implementers work closely with counterparts to increase local capacity in the design and delivery of environmental education and communication programs, and draw on lessons learned from around the world to better reach target audiences and publics. In FY 98, program staff worked in more than 10 countries with government and non-governmental agencies and organizations in the development and implementation of EE&C programs. The IR team supports US interests in furthering the Middle East Peace Process through the ongoing facilitation of a regional public awareness program on water conservation, involving active participation of five Parties to the Peace Process.

#### *Key Results*

During FY 98, the team provided technical assistance to environment staffs of five ANE and LAC missions in strategy development and advisory services in environmental education and communication. This resulted in strengthened education and communication aspects of a variety of environment strategic objective portfolios in Panama, El Salvador, Egypt, Tanzania and India.

EE&C team efforts were instrumental in achieving the following results:

- Water ministries and agencies of five Parties to the Middle East Peace Process developed and introduced local videos on the wise use of water targeted to youth
- The El Salvadoran Ministry of Environment and Natural Resources implemented national and regional media campaigns on water resource management, and conducted a national environmental awards program for journalists
- The Nicaraguan Ministry of Natural Resources introduced interpretive materials for five national parks and trained staff are working with schools and the general public
- The Egyptian Ministry of Water and Public Works trained irrigation engineers in outreach and communication methods to farmers
- The Nepali NGO community developed, introduced, and trained NGO extension agents in the use of community video techniques to improve community forest management practices
- The Malian Ministry of Education introduced environmental curriculum to selected community and public schools, and trained teachers in the use of these materials.

#### *Performance and Prospects*

In FY98, the IR team met or exceeded performance targets in all results areas, and set baselines and targets for three new indicators for organizational capacity to implement EE&C programs; indices measuring degree and quality of participation in EE&C activities; and individual exposure rates to program-generated environmental media. Program implementers worked with over 3,500 staff and individuals involved in the design and delivery of EE&C programs, exceeding targets set for the reporting period. This is due to additional opportunities and new

partnerships that evolved in El Salvador for training and outreach to Ministry and NGO staff in environmental education.

There is growing evidence, and increased understanding, of the influence that environmental communication can have on policy reform and implementation in countries where the program has had a sustained presence. In El Salvador, the Minister of Environment attributed the smooth passing of a national environmental law to increased popular support and pressure on parliamentarians by local constituencies, a direct result of national awareness campaigns. In a national environmental contest for students, the national Salvadoran newspaper received more than 130,000 submissions, up from 90,000 in the previous year, reflecting increased student and teacher awareness and participation in environment-related activity. In Egypt, the Minister of Public Works initiated plans for solid waste collection programs to improve irrigation canal maintenance after watching video testimonials and reviewing supporting data submitted by farmers voicing their issues and concerns.

While the IR team expects to meet targets in FY 99-01, proposed budget reductions in FY 99, and the uncertainty of budget levels in 00 and 01 severely impacts our ability to provide technical leadership in the form of strategic advisory services to field missions and regional initiatives. Synthesis activities that elicit lessons learned and share these with practitioners in other regions will also suffer. The current contracting mechanism for implementing programs under this IR will end in FY00, and a new contract is scheduled for award in March/April of 2000.

#### *Possible Adjustments to Plans*

During FY 98, targets were adjusted for 99-01 to better reflect results from projected field-based activity and fund levels. Baselines have been set for new indicators, and indicator descriptions clarified.

#### *Partner Contributions to Results Achievement*

In the Middle East Peace Process Regional Awareness Program on water conservation, USIA is playing a major partnering role in implementation, providing on-the-ground logistical and technical support to provide opportunities to bring together representatives from the five Parties to further program development and implementation.

### IR 1.3 Performance Data Tables

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR		
<b>RESULT NAME:</b> Environmental Education and Communication (EE&C) strategies, methods, and tools systematically applied in USAID-assisted countries				
<b>INDICATOR:</b> Number of agencies, institutions, and NGOs where EE&C strategies, methods, and tools have been tested and applied systematically in environment-related programs				
<b>UNIT OF MEASURE:</b> Number of agencies, NGOs, and institutions (cumulative)		<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Contractor reports				
<b>INDICATOR DESCRIPTION:</b>  This indicator is the only <b>cumulative indicator</b> in the results framework and reflects the number of agencies, institutions, and NGOs that have systematically (using the approach outlined in the overview) applied EE&C strategies, methods, and tools as an integral part of an environmental program. Examples include national media campaigns, community mobilization programs, school based EE programs, and EE&C strategy development.  * These projections are based on a trends analysis and will be adjusted as additional Missions submit requests for technical assistance  <b>COMMENTS:</b>		1996	Baseline	17
		1997	23	24
		1998	34	36
		1999	41	
		2000	42*	
		2001	44*	

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR		
LOWER LEVEL RESULT NAME: 1.3.1 Improved capacity of agencies/NGOs to design and implement EE&C programs in key countries				
INDICATOR 1: Number of service providers receiving guided practice and training in the development and use of EE&C strategies, methods, and tools				
UNIT OF MEASURE: Individuals		YEAR	PLANNED	ACTUAL
SOURCE: Contractor reports				
INDICATOR DESCRIPTION:  This indicator reflects the degree of outreach to agency, ministry, nongovernmental, community, and grassroots organization staff participants receiving training and guided practice in EE&C as a direct result of interventions in the field. This indicator also includes journalists trained in environmental issues under specific interventions. Key countries indicate a long-term funding commitment for EE&C programming and delivery.  COMMENTS: In FY98, unanticipated partnerships and collaboration with the Ministry of Education in El Salvador resulted in additional training programs and workshops, increasing outreach to service providers. This accounts for the higher <i>actual</i> numbers.		1996	Baseline	5781
		1997	2000	2916
		1998	647	3728
		1999	2265	
		2000	240*	
		2001		



OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR		
LOWER LEVEL RESULT NAME: 1.3.1 Improved capacity of agencies/NGOs to design and implement EE&C programs in key countries				
INDICATOR 2: Number of trainees and service providers reporting changes in knowledge, skills and attitudes toward EE&C in key countries				
UNIT OF MEASURE: Number of trainees		YEAR	PLANNED	ACTUAL
SOURCE: Contractor reports				
INDICATOR DESCRIPTION:  This indicator measure the number of trainees who report changes in knowledge, skills, and attitudes towards EE&C resulting from training and guided practice activity.  COMMENTS:		1996	—	—
		1997	—	—
		1998	Baseline	1362
		1999	900	
		2000	80	
		2001		

### Performance Data Table IR 1.3.2 Indicator 1

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR		
LOWER LEVEL RESULT NAME: 1.3.2 Demonstrated use of popular participation as a key EE&C approach in environmental policy formulation and promotion.				
INDICATOR 1: Index measuring quality and effect of participation amongst stakeholders in policy interventions				
UNIT OF MEASURE: Index score		YEAR	PLANNED	ACTUAL
SOURCE: Contractor reports				
INDICATOR DESCRIPTION: Index – The index here is made up of 13 different elements that experts in participation have suggested are critical to good participation. It virtually never happens that all of these elements are present. However, the more of these elements that are present and the more prominent each of them is, the stronger the higher level of participation has taken place. These rating are done at the time of the participatory event and over time if participatory techniques improve the index should increase by fractions of a point. Some of the elements tend to be somewhat or very limited depending on cultural or political norms so that a score of five is not possible. Forthcoming		1996	—	—
		1997	—	—
		1998	Baseline	3.8
		1999	4.0	
		2000	4.1	
		2001		

### Performance Data Table IR 1.3.3 Indicator 1

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands				
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR		
<b>LOWER LEVEL RESULT NAME:</b> 1.3.3 Demonstrated use of media as a key EE&C approach to increase frequency of exposure to environmental messages and issues				
<b>INDICATOR 1:</b> Number of people in key countries exposed to environmental issues via all media				
<b>UNIT OF MEASURE:</b> Number of individuals exposed (in millions of people)		<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Contractor reports				
<b>INDICATOR DESCRIPTION:</b>  Mass media, interpersonal campaigns, interpretive materials, school curriculum materials and radio and print campaigns are important tools to increase awareness and provide a variety of channels to reinforce and promote environmental messages. This indicator measures the reach and depth of environmental communication programs, reflecting the number of individuals exposed to messages, whether it be through mass media campaigns, interpretive programs in protected areas, or interpersonally mediated programs and communities. Again, “key countries” refers to USAID missions where there is long-term presence in the development of EE&C programs.  <b>COMMENTS:</b> Exposure Data – The data reported here is gathered by the contractor from the standard media ratings used for advertising. Each time an advertiser wants to purchase an ad, they need to know how many people are tuned into a specific channel at a specific time. This is similar to Arbitron or Neilson ratings in the U.S. The contractor simply gathers this data for each time the broadcast takes place or the circulation of the publication and establishes an exposure level. People don’t relate to every message they see, but repetition is the key to sales of a product or an idea.		1996	_____	_____
		1997	_____	_____
		1998	Baseline	11.2 m
		1999	18 m	
		2000	28 m	
		2001	25 m	

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR	
LOWER LEVEL RESULT NAME: 1.3.4 Materials and information disseminated on EE&C strategies, methods, and tools			
INDICATOR 1: Number of targeted professionals receiving bulletins and materials			
UNIT OF MEASURE: Number of individual professionals	YEAR	PLANNED	ACTUAL
SOURCE: Contractor reports			
INDICATOR DESCRIPTION:  This indicator reflects the number of professionals in environment-related fields and environmental educators receiving bulletins and materials on a regular basis, reflecting lessons learned in the field, as well as responses to specific request for materials and information.  COMMENTS:	1996	Baseline	1138
	1997	1250	1286
	1998	1400	1596
	1999	1,000	
	2000	500	
	2001		

**IR 1.4: Increased Conservation and Sustainable Use of Coastal and Freshwater Resources***Summary*

The IR 1.4 water team contributed to improved protection and sustainable use of natural resources while working in 14 countries and with numerous Agency and international counterparts. Activities supported by IR 1.4 promote integrated management of coastal and freshwater resources through participatory, community-based field site activities and the development and dissemination of improved strategies, policies, concepts, and tools at local, national, and international levels. Progress towards results is on-track. Although the total hectares are greater than targets, this is the result of increased and more accurate monitoring of the actual sites counted under *improved* or *effective* management.

Major impediments to achieving results in integrated water resources management (IWRM) have been the slow pace of getting the water IQC up and running and insufficient core funds to carry out an aggressive IWRM program. Progress on the IQC has been stymied by prolonged contracting delays since the scope of work was first prepared in April 1997. We expect the IQC to be awarded by the end of March, enabling the first round of planned activities to begin in FY99.

*Key Results*

- The first officially sanctioned municipal marine reserve in Indonesia, established in Blongko, North Sulawesi, demonstrated to decision-makers the benefits of community-based management of critical coastal habitat. The marine reserve will have broad applicability for similar efforts throughout the world's largest archipelagic nation.
- Low-impact tourism guidelines were introduced into private and public development plans for Mexico's threatened Quintana Roo coast. Sustainability considerations now guide cooperation between coastal communities and national authorities and are beginning to influence tourism development in neighboring Central American countries.
- The foundation was laid for formulation of Tanzania's national coastal management policy, including guidelines for development of shrimp mariculture, the nation's newest area of foreign investment. The pioneering work in Tanzania is shaping the regional dialogue for coastal management in East and Southern Africa.
- Joint activities with NOAA helped mitigate the atmospheric impact of forest fires in Indonesia and Mexico and demonstrated potential for building capacity to monitor and predict seasonal weather patterns in USAID client countries. This is expected to become a key component of USAID's increasing commitment to natural disaster preparedness.
- Water team implementation of Global Bureau Joint Action Incentive Fund (JAIF) activities in Morocco, Jamaica, and El Salvador bolstered decentralized management of water resources as a critical element of USAID environmental programs in those countries.
- The water team produced a "Strategic Plan for Integrated Water Resources Management in USAID"—a first-ever framework for outreach and learning through support of model water management approaches in cooperating countries and regions.

*Performance and Prospects*

The IR 1.4 team exceeded both target indicators for areas under *improved* management and under *effective* management. It is on track for its third indicator, number of policy successes. Because the number of hectares exceeding the target areas are accounted for by increased data gathering and a refinement of indicator definitions to be equivalent with other IR teams, the team feels that the program is more ‘on track’ than ‘exceeding’ targets. The policy success indicator is new at this level but is still considered on track as 2 policies were expected to have an impact in FY98. It represents a refinement of a lower level indicator (1.4.1) that tracked a broader universe of number of partners adopting ICM strategies, policies, concepts, and tools developed by G/ENV. This new, narrower definition is the same as that for the other IR teams and is also rolled up at the SSO level.

The water team was successful this year in leveraging non-USAID funds in furthering its objective of increased conservation and sustainable use of coastal and freshwater resources. A total of \$188,000 was provided from the University of Quintana Roo; local, provincial and national governments of Indonesia; and the Tanzanian National Environmental Management Council. Team activities attracted another \$158,000 in joint partnership funding from U.S. and international NGOs, universities, and development agencies. In catalytic indirect funding, IR 1.4 leveraged \$250,000 from the Packard and Summit foundations, and from UNEP for coral reef monitoring, community-based management work, and ICM strategy implementation.

*Area under effective management:* In FY98, the targeted area for *effective* management was 137,229 ha, while actual achieved was 227,863 ha. Actuals exceeded targets because of better accounting information on field site area.

FY99 and FY00 targets have been adjusted upward due to refined information and measurements on field site area, and because of more refined interpretation of *effective* management (i.e., managed areas experiencing ‘reduced rates of degradation’ are now included). For example, the Costa Maya (Mexico) project area is added to the targets due to the project’s effect of slowing coastal degradation from tourism developments. Cost constraints on environmental monitoring generally place difficulties on quantifying environmental trends, but in this case, project monitoring is provided by CRM II partner Amigos de Sian Ka’ an. Finally, additional increments to *effective* management are anticipated in FY00 from activities in the Lampung Province and Balikpapan Bay in Indonesia.

*Area under improved management:* In FY98, the water team expanded integrated coastal management (ICM) initiatives in Indonesia and Mexico, and made significant progress on ICM programs in Kenya and Tanzania. Performance objectives for new coastal areas brought under *improved* management were met or exceeded at all sites. The target for FY98 was 810,762 ha, while actual achieved was 894,196 ha. Actuals exceeded targets due to refined information and measurements on field site area. Specific changes include: 1) the Tanzania coast was added to ‘improved’ management (previously planned for FY00); and 2) the addition of large field sites in Indonesia (Lampung Province and Balikpapan Bay) and Mexico are new expansions of those field programs and thus were not previously anticipated as FY98 targets. Finally, adjusted targets reflect a decision to account for CRM progress cumulatively through life-of-project (i.e.,

CRM I and CRM II components), as it is calculated by other SSO1 IR teams. A detailed listing of sites and area under *improved* management is shown in Table 1.

*Policy Successes:* FY98 is the first year for this indicator at this level. It was adapted from the lower-level indicator 1.4.1, ICM policies submitted, adopted, and implemented. As such, the target for this year was two policy successes implemented. The team met that target for this year with the implementation of two strategies in Indonesia, one for the Crown-of-Thorns starfish cleanup in Bentenan and another for the rehabilitation of a mangrove forest in Tumbak. An additional 11 are targeted for FY99, which are tracked along a newly created policy success matrix.

#### *Value-Added*

The water team's multidisciplinary strength derives from active representation by various operating units throughout the Agency. The team meets regularly to discuss water management issues that cut across several sectors of interest. These representatives and sectors include LAC, ENI, ANE, PPC, EGAD, PHN (EHP), BHR (OFDA), WID, and other G/ENV offices (EET and UP). In addition, a "virtual team" of USAID mission and other field contacts are maintained through e-mail and information exchanges. The team attracted a total of \$2.9 million in buy-ins from 5 missions. Not including the extensive technical assistance provided by CRM II cooperators, a total of 86 person-days were spent providing technical assistance to 8 missions.

#### *Agency Leadership*

- Water team support of the new Executive Order on Coral Reef Protection resulted in strong USAID collaboration with the State Department and other federal agencies to address international trade and protection of coral reef species as a component of U.S. foreign policy.
- Water team support to USAID/Jamaica helped advance the mission's new "Ridge to Reef" environmental SO and advanced integrated approaches to coastal and water resources management as the centerpiece of the Caribbean Regional Environmental Strategy.
- The technical partnership with NOAA introduced seasonal forecasting of droughts, floods and other hydrologic stresses as a major capacity development thrust of the East Asia-Pacific Environmental Initiative sponsored by the State Department and USAID Asia-Near East Bureau.

#### *Global Leadership*

- An internationally accepted methodology for assessment and evaluation of coastal management initiatives, developed by the water team's Coastal Resources Management II program, has begun to influence how donors design and finance coastal zone interventions. The application of the common learning framework to donor projects is unique and provides a powerful tool to learn from experience and guide project adjustments to enhance effectiveness.
- Socioeconomic and governance indicators were successfully integrated into the Rapid Assessment of Management Parameters (RAMP) database of the Global Coral Reef Monitoring Network. This initiative is helping policymakers understand the relationship between management actions and reef condition and is giving tangible expression to international commitments included in the U.S. Coral Reef Executive Order.

- The hydrologic and weather forecasting capabilities of NOAA helped advance the World Bank's Nile Basin Initiative; water sector activities under the U.S.-South Africa Binational Commission; and the State Department's East Asia-Pacific Environmental Initiative.

Additional highlights of water team contributions to Agency and International leadership are summarized at the end of the narrative.

### *Performance Outlook*

The water team expects to fully meet integrated coastal management (ICM) targets set for FY99-01, provided that planned funding levels for CRM II field support and global leadership activities are maintained. However, the paucity of core funds in FY98 and again in FY99 for strategic development and implementation of integrated water resources management (IWRM) activities may preclude comparable advances in this vital program area. With the start-up of the new Water IQC, the water team expects to service an increasing number of task orders funded by missions where work in the water sector is an important part of environmental SOs. With insufficient core funding, however, the water team will be hard pressed to provide the quality of Agency and global leadership in IWRM called for in the team's strategic plan. At issue is how to achieve a balance between a robust, demand-driven program of water sector services funded by key missions and the capacity of the water team to program resources for cutting-edge initiatives that advance IWRM within the Agency and internationally.

### *Possible Adjustments to Plans*

With the new IQC due to come on-line in FY99, the water team will be creating a performance monitoring plan to track IWRM results. While examining the feasibility of using the framework already in place for existing coastal programs, the team will adjust its PMP after researching the indicators and reporting strategies of other G/ENV teams and mission programs. There are as yet no targets for IWRM, as these activities will not become fully operational until award of the IQC scheduled for March 1999. An interdisciplinary team is currently developing a strategic framework and performance monitoring plan for the new IWRM activities.

### *Non-USAID leveraged funding*

#### *Counterpart In-kind funding:*

- \$38,000 match from Mexico's University of Quintana Roo for ICM extension program staffing and field operations.
- \$120,000 in Indonesia counterpart funds (\$60,000 from central government and \$60,000 in-kind from provincial and local government, NGOs, media, university and private sector) for ICM program activities..
- \$30,000 of in-kind support from Tanzania's National Environmental Management Council to the USAID-assisted Tanzania Coastal Management Partnership (TCMP). Support includes staff time, office space, vehicle use and access to equipment.

#### *Joint partnership funding:*

- \$10,000 from The Nature Conservancy for institutional strengthening of Amigos de Sian Ka'an (ASK), the leading NGO partner in Mexico's ICM program.
- \$20,000 in partner contribution to costs associated with conducting the regional ICM course in East Africa (IOC \$10,000; Sida \$5,000; SEACAM \$5,000).



- \$100,000 Sida funding to University of Rhode Island Coastal Resources Center for development, review, publication and application of the Common Methodology for ICM Learning.
- \$25,000 UNDP-SIOCAM funding for a donor survey of ICM evaluation methods.
- \$3,000 contributed by TCMP to a national workshop to reduce dynamite fishing in Tanzania (\$3,000 leveraged with an additional \$13,000 from Irish Aid, GOT Fisheries Department and Coca-Cola).

*Catalytic indirect funding:*

- \$30,000 from the Packard Foundation to ASK for Coral Reef monitoring of Mexico's Costa Maya, including the Xcalak community-based marine park.
- \$100,000 Summit Foundation monies to ASK for community-based management
- \$120,000 contribution from the UNEP Regional Seas Coastal Management (EAF/5) Activity for Kenya ICM strategy implementation.

*USAID policies, strategies, and programs reflecting G/ENV leadership from IR 1.4 Cooperators*

1. USAID/G-CAP Central American Regional Environment Program (PROARCA) implements CRM II training methods/materials in regional workshop in Honduras
2. USAID/Philippines utilizes CRM II indicators
3. USAID/Mexico utilizes CRM II approach for designing its Environmental SO
4. USAID/Tanzania uses CRM II PGPC and annual work plan as model documents for other RPs
5. USAID/Indonesia adapts CRM II Briefing note on ICM as Participatory Democracy
6. USAID/Kenya uses CRM II input for COBRA Strategy revision
7. CRM II collaboration to USAID/Jamaica EAST Program
8. CRM II facilitated collaboration with USAID/Mexico and USAID/GCAP for coordinated response to Meso-American Reef Initiative
9. CRM II self-assessment manual used for USAID/Sri Lanka final evaluation of the "shared control of natural resources sub-project"
10. CRM II framework included almost verbatim in USAID/W RFP for the water management indefinite quantity contract (IQC)

*International policies, strategies, and programs reflecting G/ENV leadership from IR 1.4 Cooperators*

1. UNDP/GEF adopts CRM II self-assessment framework in final evaluation of Belize, Cuba and Dominican Republic projects
2. Advisory Note on Coastal Management based on CRM II experience developed for UNDP Strategic Initiative on Ocean and Coastal Management (SIOCAM)
3. Survey report on donor evaluation of coastal management projects and programs developed for SIOCAM
4. Sri Lanka national CZM Plan (revised) adopted by Cabinet incorporates CRM II methodologies.
5. South African Coastal Management Policy Committee adopts CRM II ICM methods and principles.
6. Board of Directors of the Inter-American Development Bank approves Coastal and Marine Management Strategy based on CRM II recommendations.

7. Coral Reef Rehabilitation and Management Project's (COREMAP) design document incorporates experience learned from CRM II field sites in North Sulawesi
8. Coastal management self-assessment manual developed for Swedish International Development Cooperation Agency
9. RAMP methodology and indicators adopted and implemented in World Bank assessment of community-based coastal management in the Pacific
10. Coastal Polytechnical University, Ecuador, adopts CRM II training methods and material in University courses.
11. RAMP methods and socioeconomic indicators submitted to GCRMN and provide basis for GCRMN meeting of international experts.
12. Conservation International's Gulf of California management strategy uses CRM II framework
13. Community Strategy adopted as learning model for Meso-American Reef Initiative
14. Brazil coastal management program uses CRM II ICM assessment tools in training and evaluation
15. Comments: Significant and direct contact with G/ENV and its cooperators is required for this indicator. This requirement will avoid over-attribution, at the cost of missing influences that are only secondary.

## IR 1.4 Performance Data Tables

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR	
<b>RESULT NAME:</b> Increased conservation and sustainable use of coastal and freshwater resources			
<b>INDICATOR:</b> Area in key countries/regions with <i>effective</i> ICM programs			
<b>UNIT OF MEASURE:</b> Hectares	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Reports from partners and cooperators			
<b>INDICATOR DESCRIPTION:</b> Two key conditions must be met for areas to be considered under <i>effective</i> management: (3) habitat quality is maintained or improved and/or the rate of habitat degradation is reduced; and (4) institutional ability to monitor and respond to threats and opportunities (adaptive management) is demonstrated.  Results are <b>cumulative</b> .  <b>COMMENTS:</b> This indicator focuses on the effective conservation of habitats critical for ecosystem functions, such as coral reefs and mangroves. Environmental quality will be determined by site-specific analyses of coastal environmental quality, such as density of coral cover, hectares of intact mangrove wetland, or water pollution levels. -progress toward this target will depend on the success of management changes in ASK and national government elections – both of which are outside CRM II influence.	1996	—	—
	1997	Baseline	134,444
	1998	137,229	227,863
	1999	242,863	
	2000	6,493,443	

OBJECTIVE: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
APPROVED: 18/02/1998		COUNTRY/ORGANIZATION: G/ENV/ENR	
RESULTNAME: Increased conservation and sustainable use of coastal and freshwater resources			
INDICATOR: Area in key countries/regions with improved ICM programs			
UNIT OF MEASURE: Hectares	YEAR	PLANNED	ACTUAL
SOURCE: Reports from partners and cooperators			
INDICATOR DESCRIPTION: Coastal an freshwater systems are considered under improved management when any of the following steps in site management occurs: s ite assessment is completed; site/action plan is developed; institutional/community capacity is strengthened; a legal framework is in place; site management activities are initiated; or monitoring and evaluation is initiated. - Areas are derived from actual dimensions of designated sites or are conservatively approximated by multiplying the relevant length of coastline by one kilometer. Thus, 1 km of coastline is equivalent to 100 ha. Of coastal zone. - Results are cumulative. COMMENTS: - The large increase in 2000 reflects the anticipated maturation of programs in Tanzania and North Sulawesi. - Targets reflect the exact areas of sites where work is planned when this information is available. When implementation is successful at all sites, planned area equals actual area. Includes the planned addition of Lampung province – a total of 125 million hectares. - Different marine boundaries are used for each field site based on the planned work. In Lampung, CRMII is implementing a strategic level coastal policy initiative for the province. The Provincial Marine Boundary is anticipated to be 12 mi. (this is the boundary included in the newly drafted national marine strategy to decentralize considerable authority to the provinces). In North Sulawesi, intensive community level site planning, management, and implementation is on-going and the boundary is set, based on site-specific work, as the expected area of impact. A Bay plan is being prepared for Balikpapan Bay. - Additional improved area is planned for Mexico, Gulf of California, but it is not possible to estimate area at this time.	1996	Baseline	725,400
	1997	800,777	800,777
	1998	810,762	894,196
	1999	126,063,507*	
	2000	126,098,507	

<b>OBJECTIVE:</b> Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, Freshwater and Coastal Ecosystems, and Agricultural Lands			
<b>APPROVED:</b> 18/02/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/ENR	
<b>RESULT NAME:</b> Increased conservation and sustainable use of coastal and freshwater resources			
<b>INDICATOR:</b> Documented improvements in coastal and freshwater systems as a result of strengthened policies or <i>improved</i> policy implementation			
<b>UNIT OF MEASURE:</b> Number of policy successes	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Reports from partners			
<b>INDICATOR/DESCRIPTION:</b>  Policies include laws, regulations, decrees, and agreements — adopted and organization —which support the conservation and management of natural forests and tree systems. Policies can be designed and implemented at local, regional, national, and international levels. Internal policies of conservation NGOs would not be included in this total. Policy successes are documented examples where G/ENV-supported efforts to improve policies or policy implementation have directly contributed to on-the-ground improvements in natural forests and tree systems.  Results are reported annually and <b>are not cumulative</b> .  <b>COMMENTS:</b> This is a new indicator for IR 1.4 at this level. It is derived from the previous 1.4.1 lower-level indicator, Number of partners adopting ICM strategies, policies, concepts and tools developed for G/ENV.	1998	2	2
	1999	11	
	2000	2	
	2001	5	
	2002		

*Additional Descriptions of IR 1.4 Value-Added Agency and International Leadership**Agency Leadership*

- Low-impact tourism development guidelines for Mexico's threatened Quintana Roo coast have introduced sustainability considerations into private and public coastal development plans. The coastal community of Xcalak worked with national authorities to designate a marine park, prepare a tourism strategy, and adopt a first-ever fisheries management agreement—a model community-based effort which is guiding similar efforts throughout the Yucatan Peninsula and in neighboring Central American countries..
- The foundation was laid for formulation of Tanzania's national coastal management policy, including guidelines for development of shrimp mariculture, one of the nation's newest areas of foreign investment. The pioneering work in Tanzania is shaping the regional dialogue for integrated coastal management in East and Southern Africa.
- CRM II training methods and materials for integrated coastal management were adapted to support a regional workshop in Honduras sponsored by the USAID/G-CAP Central American Regional Environment Program (PROARCA).
- CRM II approaches to “integrated coastal management as participatory democracy” were utilized by USAID missions in the Philippines, Mexico, Indonesia, Tanzania and Kenya to refine environmental strategic objectives and revamp results monitoring and reporting.
- CRM II facilitated collaboration with USAID/Mexico and the Central American regional mission (USAID/G-CAP) to coordinate responses to the Meso-American Reef Initiative.
- A CRM II “self-assessment manual” was used by USAID/Sri Lanka to support the final evaluation of the mission's Shared Control of Natural Resources subproject.
- The water team played a major role in evaluating USAID/Philippines' Coastal Resources Management Project, leading to a refinement of biophysical indicators used for performance monitoring.

*International Leadership*

- CRM II's internationally accepted methodology for coastal management assessment and evaluation influenced the design and financing of coastal interventions by the World Bank, the Inter-American Development Bank, and the Swedish International Development Agency.
- Socioeconomic and governance indicators were successfully integrated into the Rapid Assessment of Management Parameters (RAMP) database of the Global Coral Reef Monitoring Network.
- CRM II facilitated public-private partnerships to develop operational mechanisms to make shrimp mariculture environmentally sustainable. Best practice guidelines were developed in partnership with private industry. The guidelines are unique and are a model for other similar efforts globally.
- Three issues of Intercoast (the international ICM newsletter with a circulation of over 4,000) and the fifth successful Summer Institute strengthened ICM networks and re-enforced CRM II's reputation as the leading global provider of ICM practitioner training. The 1998 Summer Institute brought together 25 participants from 14 countries.

## **SSO2 IR PROGRESS TOWARD OBJECTIVES**

### **IR 2.1: Expanded and Equitable Delivery of Urban Environmental Services and Shelter**

#### *Summary*

Sustainable urbanization rests on the premise that protecting the health of human settlements and natural ecosystems is critical for long-term economic security. Economic benefits will result from the urbanization process if urban residents, especially the poor, are given access to decent environmental services and shelter. In light of this goal, IR 2.1, *Expanded and Equitable Delivery of Environmental Services and Shelter*, focuses resources on the promotion of service and shelter expansion and access through the following four approaches:

- policy and regulatory reform that promotes access to urban services and shelter (IR 2.1.1.1)
- expanded financial resources available for investment in services and shelter (IR 2.1.1.2)
- an expanded private sector role in service and shelter delivery (IR 2.1.1.3)
- targeted approaches to provide services and shelter to low-income users (IR 2.1.1.4)

IR 2.1 uses an “index” to measure progress made along a continuum toward the achievement of each sub-intermediate result. This continuum or common path is summarized in four stages of development. Each of the regional offices identified the current stage or level of its programs for those sub-intermediate results they work on. Because programs vary considerably in strategy and the problems they address, RUDOs report only on categories of the performance indices that best describe their programs. Progress under this IR is measured by how well RUDOs introduce the four elements as an integrated approach to sustainable finance, understanding that countries differ radically in level and approach to market-based finance systems.

#### *Key Results*

The IR2.1 team in Washington provided significant support to Missions in FY98, both on developing project concepts for potential use under DCA, on municipal finance issues and programs, and coordination with major multinational finance institutions such as the World Bank. DCA design support was provided to Missions in India, Poland, the Philippines, Guatemala, Brazil, Bolivia, Mexico, Egypt, and Bulgaria, and to the PHN Center in AID/W. Technical guidance was provided to the field on developing programs with the World Bank in Zimbabwe, and a Municipal Finance module was developed for DG officers in the LAC Region. SSO2 participated heavily in a number of policy events such as the Development Finance 2000 meeting at the White House, the World Bank’s Urban Forum where the Bank’s urban strategy is developed, and PLAN International’s annual meeting in Tokyo where USAID’s credit and housing programs were presented.

SSO2 continued its success in helping local governments establish market-based mechanisms for financing infrastructure. For the first time in Zimbabwe, municipal credit ratings were undertaken in six local governments during FY98. In India, technical assistance and training through the Financial Institutions Reform and Expansion (FIRE) Program has helped Credit Rating Information Services Limited (CRISIL) develop a methodology for rating urban local bodies and infrastructure agencies.

*Performance and Prospects*

FY98 results reveal that overall performance under IR 2.1 is on track. G/ENV/UP met or exceeded targets for three indicators, and fell short of targets for two indicators, under IR 2.1.

In FY98, G/ENV/UP and its field staff RUDOs made significant progress in developing sustainable financing systems for shelter and urban services. During FY98, six RUDOs achieved success in helping their partners develop integrated planning and policy frameworks to guide the financing of urban infrastructure. In South Africa, three types of national legislation were drafted, finalized, or implemented. The Intergovernmental Grant Formula developed with USAID assistance is now being applied, and will provide regular, predictable central government transfers to local governments. The Local Government Municipal Structures Act, which defines types, attributes, functions, and powers of municipalities, was finalized, for the first time clarifying the role of local governments. Finally, the Municipal Systems Bill, delineating developmental and service provision responsibilities of municipalities, was drafted. In Morocco, the central government has entered into a policy dialogue with regional level cooperators to discuss five-year development and investment plans. These plans will form the basis for sectoral development plans.

G/ENV/UP also made progress in expanding private financial sector involvement in the financing of urban services. RUDOs reported progress establishing a dialogue between the private sector and public sector on financing municipal services and urban environmental infrastructure. In South Africa, the Municipal Infrastructure Investment Unit (MIIU) was launched during FY98. MIIU, within the Development Bank of Southern Africa, will assist local authorities in structuring infrastructure projects that can be taken to the private sector for funding. In addition, two new infrastructure finance entities were created in South Africa to provide loans to municipalities. In Zimbabwe, representatives from the private financial sector, the central government and international donor agencies joined the local authority officials in open dialogue identifying the constraints to the existing system and discussing how to move forward with developing a market-oriented municipal finance system. Major results of this dialogue were the creation of a public-private working group that developed a Draft Action Plan on Expanding the Municipal Finance System. For the first time in Zimbabwe, the process of establishing credit ratings for six urban councils was undertaken during FY98.



## IR 2.1 Performance Data Tables

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter			
<b>INDICATOR:</b> 1: Extent to which an integrated policy framework is in place and is used to guide the system whereby urban infrastructure is financed			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	2.3
<b>SOURCE:</b> RUDO reports	1998	2.5	2.6
	1999	2.8	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Jakarta, New Delhi, Pretoria, Quito, Rabat, Warsaw  ** Explanation for the decline in the target average number. Two of the eight RUDOs are expected to graduate and the absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.	2000	3.4	
	2001	3.2**	
	2002	3.4	
<b>COMMENTS:</b>	2003	3.0	

Stage/Level			
1	2	3	4
No policy regime in place. Financing needs not being systematically addressed at policy level.	Government acknowledges need for policy framework and has entered into dialog with local government and/or private sector.	Policy framework under development or partially in place. Multiple aspects of a finance system for municipal and infrastructure requirements are being addressed simultaneously.	Transparent municipal finance policy in place and understood by all parties. Monitoring activities exist to evaluate and adapt system as requirements change.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter			
<b>INDICATOR:</b> 2: Timeliness and effectiveness in facilitating and managing the privatization process			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	2.0
<b>SOURCE:</b> RUDO reports	1998	2.3	2.5
	1999	2.7	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Harare, Jakarta, New Delhi, Pretoria, Quito, Warsaw	2000	3.2	
	2001	3.2	
	2002	3.4	
	2003	3.0	
<b>COMMENTS:</b>			

Stage/Level			
1	2	3	4
No policy/regulatory oversight in place. Privatization taking place on an ad hoc basis.	Government acknowledges need for rational privatization policy. Key constraints being identified and analyzed.	Privatization policy being refined. Transparent procedures being established and used. Number/value of privatization activities successfully carried out is increasing. System for addressing public concerns, and monitoring performance being developed and/or in use.	Privatization activities taking place where desirable on timely basis with appropriate level of gov' t oversight. System for incorporating/ addressing public concerns are well established. Performance of previously privatized activities being monitored and found satisfactory.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter			
<b>INDICATOR:</b> 3: Degree of choice among appropriate financial mechanisms for municipal and other urban investments			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.9
<b>SOURCE:</b> RUDO reports	1998	2.5	2.7
	1999	2.9	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Pretoria, Quito, Rabat, Warsaw	2000	3.1	
	2001	3.3	
	2002	3.5	
	2003	4.0	
<b>COMMENTS:</b>			

Stage/Level			
1	2	3	4
No selection of funding sources. Only gov' t or quasi-gov' t funding available	Need for more diverse range of funding channels and instruments acknowledged. Private sector involved in identifying, designing and developing expanded funding options.	One or more new funding channels in use on pilot basis by targeted areas. Development of additional vehicles or instruments continues. Private sector initiative in serving urban investment needs is evident.	Range of appropriate financing vehicles and instruments available to targeted areas. Choice of mechanisms made primarily at the local level.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter			
<b>INDICATOR:</b> 4: Level of financial sector and other involvement in municipal and urban infrastructure finance in targeted countries			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.6
<b>SOURCE:</b> RUDO reports	1998	2.1	1.9
	1999	2.9	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Harare, Pretoria, Quito, Warsaw  **Explanation for the decline in the target average number. Three of the eight RUDOs are expected to graduate and the absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2002.	2000	2.9	
	2001	3.5	
	2002	3.4**	
	2003	4.0	

Stage/Level			
1	2	3	4
No financial sector interest or understanding of needs of the municipal sector or for urban environmental infrastructure investment.	Evidence exists of private sector interest in financing of municipal services and urban environmental infrastructure. Private sector and public sector have established dialog on these issues.	Private sector initiatives and marketing to the municipal sector and to urban infrastructure providers are increasing. Share of private financing is increasing. Ongoing forum is established for public/private dialog on municipal finance and urban environmental infrastructure finance.	Competition exists in financing of municipal services and urban infrastructure. Innovation is increasing and costs of financing declining as a result of broader private involvement. Municipal finance industry organization are emerging in private sector.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter			
<b>INDICATOR:</b> 5: Government funding for infrastructure is provided according to a policy agreeable to local government and the private sector, and allocated to minimize competition with private finance			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.3
<b>SOURCE:</b> RUDO reports	1998	2.0	N/A
	1999	2.3	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: N/A	2000	2.7	
	2001	3.0	
	2002	3.2	
	2003	3.3	
<b>COMMENTS:</b> RUDO/New Delhi and RUDO/Jakarta did not report on this indicator for FY98.			

Stage/Level			
1	2	3	4
Government funding for infrastructure provided on ad hoc basis. No predictability and/or prioritization of purposes by government or coordination with municipal sector or other providers.	Gov't acknowledges need for strategic funding and allocation of concessionary resources and has begun to examine alternatives. Appropriate use of soft loans under discussion.	Plan in development for predictable gov't transfers for infrastructure investments. Transparent priorities for use of concessionary funding and/or grants being established and implemented. Strategy for increased credit discipline on gov't lending being implemented.	Gov't transfers occur according to plan. Priorities for use of concessionary funding and grants are established and followed. Credit discipline exists in gov't lending programs.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.1.2: Service and Shelter Access Promoted			
<b>INDICATOR:</b> Total number of households benefiting from improved urban environmental infrastructure and shelter solutions.			
<b>UNIT OF MEASURE:</b> Target households	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994	Baseline <sup>1</sup>	4,784,976
<b>SOURCE:</b> Reports from RUDOs, Annual Urban Environmental Credit Program Performance Monitoring Data	1995	N/A <sup>2</sup>	484,559
<b>INDICATOR/DESCRIPTION:</b> Urban environmental infrastructure and shelter refers to any activities providing mortgages; small home loans; construction loans; and servicing of sites with water, sewage treatment, and/or solid waste disposal. NOTE: Targets and actuals are highly dependent on eventual credit-subsidy levels and decisions and ability of countries to borrow (or request disbursements) in a given years. Hence, numbers chosen reflect expected disbursements of authorized loans only. Targets for FYs 1999-2001 begin to show the impact of the decline in UE authorization levels starting in FY96. To provide a comparison, credit subsidy levels were \$15.1 million in FY94, \$19.0 million in FY95, \$3.8 million in FY96, \$3.5 million in FY97, and \$3.1 million in FY98. In addition to lending in countries with active USAID Missions, SSO2's UE activities include lending in four non-presence countries: Chile, Costa Rica, Czech Republic, and Tunisia.	1996	N/A	514,210
	1997	567,000	528,570
	1998	579,000	506,085 <sup>3</sup>
	1999	50,500 <sup>4</sup>	
<b>COMMENTS:</b> <sup>1</sup> 1994 represents cumulative data for the impact of the Urban Environmental Credit Program (formally the Housing Guaranty). Subsequent data show the annual increase in the number of households benefiting from improved environmental infrastructure and shelter solutions. There is usually a lag of one to five years between authorizations (appropriated funds) and loan disbursements or results. <sup>2</sup> In 1996, G/ENV/UP began collecting data on number of beneficiaries on a desegregated annualized basis. Annual targets were not set until FY97. Previously, life-of-project total (which could span five or more years) were reported. 1995 actual is deduced data. <sup>3</sup> G/ENV/UP captured 87 percent of target households in FY98. The target of 579,000 households was based on \$155 million in disbursements occurring. However, only \$83 million was disbursed during FY98. Lower levels of disbursements were due to three factors outside of USAID's control: (1) the Asian Economic Crisis delayed a planned disbursement in Indonesia; (2) a planned disbursement in India was delayed due to sanctions; and (3) an unexpected bank merger delayed a planned borrowing in South Africa. <sup>4</sup> Targets for FYs 1999-2001 were revised to reflect anticipated disbursements. Target numbers of beneficiaries are based on credit subsidy assumptions of \$1.5 million in FY99, \$3 million in FY00 and \$3 million in FY01.	2000	21,300	
	2001	11,900	
	2002	TBD	

## **IR 2.2: More Effective Local Governments**

### *Summary*

Sustainable urbanization is brought about through management decisions that integrate environmental, social, and economic concerns, especially when allocating public resources. Such decisions are largely dependent on the institutional capacity of host local governments and their relationship with both central counterparts and civil society. In recognition of this important dynamic, IR 2.2, *More Effective Local Governments*, focuses resources on:

- improving financial management by local governments to make management and investment decisions more effective and transparent (IR 2.2.1);
- improving local government institutional capacity to plan and deliver appropriate municipal services (IR 2.2.2);
- promoting transparency and reliability of intergovernmental transfers and revenue-sharing formulas for local public works (IR 2.2.3); and
- enhancing local government accountability by increasing public awareness, understanding, and participation in municipal budgetary planning, policy development, and delivery of urban services (IR 2.2.4).

### *Key Results*

RUDOs have made notable advances in a number of areas supporting local governments in the past year. Perhaps most significant have been the efforts at increasing the capacity of targeted local governments as they strive to provide more efficient, equitable, and effective municipal services. In so doing, RUDOs have successfully encouraged the incorporation of the use of best practices by municipalities. In Poland, for example, the Local Government Partnership Program (LGPP), which provides support to 46 *gminas* (local governments) in the largest program of its kind in Eastern Europe, regularly facilitates the dissemination of best practices on a monthly basis in local press and project documents. In Morocco, best practices in cost recovery, strategic financial management, and waste management are being disseminated to municipalities through manuals and host-government-funded replication workshops. And in Maharashtra, India, the Financial Institutions Reform and Expansion (FIRE) Project, in association with the state government and state-level water and sewerage board, organized a state-level workshop on operational improvements for urban water and sanitation systems, featuring best practices from across in India in leakage reduction and energy management.

RUDOs have also achieved great success in targeted efforts in the improvement of management of urban service delivery. Action plans have been agreed upon and many municipal pilot projects have already been implemented by target municipalities in Morocco. In one municipality, Azrou, enhanced monitoring and reporting systems were put in place this year, and the privatization of the city's solid waste collection system is almost complete. Through the LGPP program in Poland, municipal services have been restructured and service delivery improved in many of the program's 46 towns, including the larger cities of Bielsko Biala and Ostrow Wielkopolski.

FY98 witnessed significant achievements by RUDOs in the field of disaster mitigation. RUDO/New Delhi in particular has helped municipalities in three countries in the region to put in place planning procedures to mitigate the impact of natural catastrophes. In Nepal, an action plan for earthquake preparedness and mitigation for the Kathmandu Valley was prepared through the extensive participation of a wide range of stakeholders. In addition, an earthquake safety day, which was supported and adopted by the government as an official annual event, was conducted on January 16 to commemorate the last major disaster in the valley and serve as a focal point for mitigation awareness. In Sri Lanka, the development of mitigation strategies and action plans in Ratnapura are at an advanced stage, and the replication of mapping and risk assessment processes has been initiated in the town of Nawalapitiya. A workshop on risk-based mitigation planning and emergency response, which was held for local government officials, and the dissemination of a quarterly newsletter to raise awareness help to spread information on the importance of mitigation to an even larger audience. And in the cities of Baroda and Calcutta in India, environmental maps have been digitized with upgraded information on demography, location of hazardous installations, infrastructure, and critical life-line support systems, and draft preparedness and emergency plans for certain hazardous units have been prepared.

Finally, the efforts of RUDOs have contributed to the strengthening of municipal associations in a number of countries. In so doing, the RUDOs are working to build a network of resources and support for municipalities that will serve as the infrastructure for local governments far beyond USAID's presence in-country. In Central America, RUDO's efforts with Federacion de Municipios del Istmo Centroamericano (FEMICA) continue, and have helped FEMICA to become so well-established that it has been able to attract other donors' attention: the last two regional meetings sponsored by the association were financed by the IDB and World Bank. These meetings on decentralization and municipal finance are increasingly regarded as key opportunities for dialogue by members of the regional and international community. In India, the City Managers' Association of Gujarat has grown in its ability to provide leadership and service to members by offering two workshops – one on the financial resources of urban local bodies and the second on urban planning – and launching a quarterly newsletter, "CMAG News."

G/ENV/UP has contributed to the improvement of urban management in an additional 15 cities overseas with the expansion of the Resource Cities program this past year. Through technical partnerships with U.S. cities and municipal associations, overseas cities are gaining expertise in areas such as solid waste collection, water and wastewater treatment, performance measurement techniques, and municipal finance. New partnerships, which will last for roughly 18 months, have been structured with two cities in Zimbabwe, one metropolitan area in Paraguay, a county-level government in Romania, and a municipal association in El Salvador. New partnerships with four cities in Bulgaria are being funded by the mission through the G/ENV/UP mechanism, and an additional six cities in Mexico are participating in the program through a Mission cooperative agreement. This unique arrangement allows the six cities in the State of Jalisco to draw on the expertise of a consortium of ten cities in Arizona over the next three years. A September forum, which was held in Washington DC to commemorate the contribution of the more than 50 US city managers and mayors participating in the program, drew the attendance of six Members of Congress who expressed their support for the Resource Cities Program and advocated further expansion of this direct city-to-city type of assistance.



The efforts of G/ENV/UP have also served to broaden the expertise of USAID staff in the areas of local government practices during FY98. Two offerings of the "Cities Matter: Principles and Practices of Local Government" training course were held in Washington DC, in which nearly 60 USAID officials from the U.S. and overseas were given technical direction in issues such as service delivery, citizen participation, and municipal finance. A wide range of USAID/W offices and overseas Missions attended these training sessions, and highlighted ways to incorporate local governments into a variety of programming efforts.

### *Performance and Prospects*

FY98 performance indicates that IR 2.2 is on track. Under IR 2.2.1, the Financial Management Index, SSO2 met or exceeded targets for all five indicators during FY98. A key part of this index is the use of integrated capital budgeting systems for investment planning. Highlighting the performance of RUDO/New Delhi, the FIRE Project is supporting the development of five-year City Corporate Plans (CCPs) for the cities of Tiruppur and Coimbatore, in association with the Tamil Nadu Urban Development Fund. CCPs are based on a City Infrastructure Priorities Study that was conducted earlier under the FIRE Project. The CCPs include provisions for capital expenditure planning, and are being developed with significant participation of all stakeholders in these cities. The development of CCPs is one of the prerequisites for a proposed line of credit from the World Bank to the Tamil Nadu Urban Development Fund. Through the CLEAN-Urban Project, RUDO/Jakarta prepared integrated capital budgeting programs for four cities and three water authorities, and worked with these cities and water authorities to analyze debt carrying capacity and improve capital budgeting procedures.

Under IR 2.2.2, the Local Government Capacity Index, SSO2 met or exceeded targets for all four indicators during FY98. Significant progress was made during FY98 in improving the management of urban service delivery. Highlighting the performance of RUDO/Pretoria, the USAID-financed Municipal Infrastructure Investment Unit (MIIU) was established within the Development Bank of South Africa during FY98. The MIIU was formed to assist local authorities in structuring infrastructure projects that can be taken to the private sector for funding. In its first year the MIIU provided technical assistance to dozens of municipalities. Achievements included finalizing the design of privatization agreements for two water and sanitation facilities in the municipalities of Dolphin Bay in Kwa Zulu Natal and Nelspruit in Mpumalanga, and initial work on more than 50 other privatization projects. Extensive efforts are being made to train local authorities in how to structure public-private partnerships and attract private sector financing.

Under IR 2.2.3, the Local Government Autonomy Index, SSO2 met or exceeded targets for all three indicators during FY98. In Central America, intergovernmental transfers (IR 2.2.3.1) through the national budget to municipalities in Costa Rica are now in place, and in Guatemala total transfers from central government to municipalities remain steady and continue to account for nearly 20 percent of the national budget. A number of policies and practices to enhance the autonomy of municipalities have been developed in Central America. For example, Panama's municipal association is preparing a proposal for municipal codes, and codes are being reformed in El Salvador, Costa Rica, Nicaragua, and Guatemala. In Costa Rica, direct elections for city mayors have been approved and will take place in 2002. Municipal associations in Central

America and in India have continued to grow in regional significance by offering workshops in municipal finance, decentralization, and urban planning.

Finally, under IR 2.2.4, the Local Government Accountability Index, SSO2 met or exceeded targets for three indicators during FY98. SSO2 exceeded its target for indicator 2.2.4.1, which measures the extent to which the public has access and is able to influence local governments on key environmental issues. Overall, RUDOs reported an average of Stage 2.4, in which public meetings are scheduled and occur on an as-needed or regular basis. In Indonesia, significant progress was made during FY98 to organize local communities to identify urban environmental priorities and put forward project proposals to local officials. For the first time, local officials and members of the community have engaged in town hall meetings to discuss local urban environmental and financing issues. In Morocco, community-level meetings continued to be held in target municipalities on liquid and solid waste management issues. During FY98, regional governments and agencies were included in these discussions, and working commissions were created which include civil society participation in the Souss-Massa region.

RUDO/Warsaw noted that USAID/Poland did not conduct a national survey in Poland during FY98, so no data are available to report on indicator 2.2.4.3, which measures citizens confidence in the capabilities of their local governments. USAID/Poland is in the process of revising their SO-level indicators. In subsequent years, USAID/Poland will use the Freedom House measurement and focus groups to measure citizens confidence in local governments, instead of conducting a national survey.

For FY99, G/ENV/UP anticipates the further expansion of the Resource Cities program, including the procurement of a new cooperative agreement with ICMA to facilitate Mission- and G/ENV/UP-funded partnerships over the coming years. FY99 budget scenarios do not allow G/ENV/UP to provide the regional offerings of the "Cities Matter" training course as had been planned. Instead, G/ENV/UP will work with other Bureaus and Missions to help them develop similar training courses in urban management and local government practices to strengthen the expertise of overseas local government officials, USAID staff, and members of the international donor community. Despite the FY99 budget reductions, RUDOs will make every effort to meet target IR indicators, and exceed them when possible.

## IR 2.2. Performance Data Tables

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.1 Financial Management Index			
<b>INDICATOR:</b> 1: Degree of independence municipalities and their citizen have to make investment decisions			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.8
<b>SOURCE:</b> RUDO reports	1998	2.0	2.0
	1999	2.0	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Pretoria	2000	2.7	
	2001	2.8	
	2002	3.0	
<b>COMMENTS:</b>	2003	3.0	

Stage/Level			
1	2	3	4
Investment decisions are dictated, directed or carried out by central governments.	Central gov' t recognizes need to grant autonomy to local gov' t. Central gov' t has expanded level of consultation with local gov' t and degree of LG decision-making.	Local gov' ts exercise significant autonomy in investment decisions. Commitment by central gov' ts to expand autonomy is incorporated into national local gov' t policy.	Local gov' ts act autonomously in making investment decisions with support from central gov' t, consistent with national policy.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.1 Financial Management Index			
<b>INDICATOR:</b> 2: Extent to which systematic integrated capital budgeting systems are used in targeted areas			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.5
<b>SOURCE:</b> RUDO reports	1998	1.8	1.8
	1999	2.0	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.	2000	2.5	
	2001	3.0	
<b>COMMENTS:</b>	2002	3.0	
	2003	3.0	
* RUDOs reporting: Jakarta, New Delhi, Warsaw			

Stage/Level			
1	2	3	4
No systematic integrated capital budgeting systems are used.	Local gov' ts have identified integrated capital budgeting systems as a needed practice. Local gov' ts have begun development of systems.	Systems for capital budgeting are in place. Local gov' ts have transferred capital expenditure information into budget format and/or completed one capital budget cycle.	Systematic integrated capital budgeting systems are in use by the majority of local govt' s.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.1 Financial Management Index			
<b>INDICATOR:</b> 3: Extent to which municipal services and other municipal functions are well managed financially in targeted areas, using annual- budgets, program-based budgets, performance reporting, and/or industry’ s benchmarking			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	2.4
<b>SOURCE:</b> RUDO reports	1998	2.4	3.0
	1999	2.8	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or - managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Warsaw  ** Explanation for the decline in the target average number. One of the RUDOs is expected to graduate. The absence of its rating affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.	2000	3.2	
	2001	2.7**	
	2002	3.2	
	2003	4.0	
<b>COMMENTS:</b>			

Stage/Level			
1	2	3	4
Minimal or no financial management practices employed.	Local gov' t recognizes need to implement financial management. Development of tools in progress.	Targeted areas have implemented one or more financial management tools. Systems are gaining standardization in targeted areas.	Majority of targeted areas have implemented at least two core financial management tools.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.1 Financial Management Index			
<b>INDICATOR:</b> 4: Degree to which rate-making accounting, cost recovery regimes, and financial reporting are implemented in targeted areas			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.8
<b>SOURCE:</b> RUDO reports	1998	2.2	2.3
	1999	1.8	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Jakarta, New Delhi, Warsaw  **Explanation for the decline in the target average number. Two of the eight RUDOs are expected to graduate and the absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.	2000	3.0	
	2001	2.8**	
	2002	3.0	
	2003	4.0	
<b>COMMENTS:</b>			

Stage/Level			
1	2	3	4
No cost recovery or rate-making regimes in place.	Need for rigorous cost recovery regimes, user fees and/or refined rate-making systems acknowledged by local gov't sector. Elements of new systems and administrative policy and regulatory measures needed to implement systems have been identified.	Use of cost recovery and rate-making systems expanding in targeted areas. Enabling policy, regulatory and administrative measures are well understood and being put in place.	Use of cost recovery and rate-making systems is widespread in targeted areas.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.2 Improved Local Government Capacity			
<b>INDICATOR:</b> 1: Extent to which local governments are utilizing best practices to improve technical capabilities			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.5
<b>SOURCE:</b> RUDO reports	1998	1.9	2.1
	1999	2.5	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Harare, Jakarta, New Delhi, Pretoria, Rabat, Warsaw	2000	3.1	
	2001	3.1	
	2002	3.3	
<b>COMMENTS:</b>	2003	4.0	

Stage/Level			
1	2	3	4
No formal mechanisms in place for exchange implementation of best practices.	Local governments are connected to databases or are part of a network that exposes them to best practices.	Local governments are implementing best practices.	Local governments are implementing best practices and see impact on technical capacity.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.2 Improved Local Government Capacity			
<b>INDICATOR:</b> 2: Extent to which local governments are managing the delivery of urban services efficiently			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.3
<b>SOURCE:</b> RUDO reports	1998	1.6	2.1
	1999	2.2	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.	2000	2.4	
	2001	2.6	
<b>COMMENTS:</b>	2002	3.1	
	2003	4.0	
RUDOs reporting: Pretoria, Rabat, Warsaw			

Stage/Level			
1	2	3	4
Local gov'ts using systems with limitations.	Local gov'ts have identified ways to improve the efficiency of urban service delivery.	Local gov'ts are adopting more efficient measures to change their delivery of urban services.	Local gov'ts have adopted managerial changes and as a result are finding less leaks in their water systems (or other similar results).



<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.2 Improved Local Government Capacity			
<b>INDICATOR:</b> 3: Extent to which municipalities are implementing disaster mitigation practices			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.6
<b>SOURCE:</b> RUDO reports	1998	2.0	2.2
	1999	3.3	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Jakarta, New Delhi, Quito	2000	3.3	
	2001	3.3	
	2002	3.3	
	2003	3.0	
<b>COMMENTS:</b>			

Stage/Level			
1	2	3	4
No disaster mitigation or preparedness policies in place.	Policies and or pilot projects being introduced into disaster prone areas.	Disaster mitigation projects being implemented. Programs being replicated.	In the event of a disaster, new projects and/or policies have assisted in the mitigation of the disaster.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.2 Improved Local Government Capacity			
<b>INDICATOR:</b> 4: Extent to which local governments officials are being trained in modern management practices			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.6
<b>SOURCE:</b> RUDO reports	1998	1.6	2.0
	1999	2.2	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.	2000	2.6	
	2001	2.6	
<b>COMMENTS:</b>	2002	3.3	
	2003	4.0	
RUDOs reporting: Pretoria			

Stage/Level			
1	2	3	4
Existing training programs for local gov't officials need updating.	Appropriate training programs are being developed.	Local gov't officials are attending training sessions as part of their career management plans.	Local gov't officials trained are training others in practices learned from training sessions.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.3 Increased Local Government Autonomy			
<b>INDICATOR:</b> 1: Extent to which transfers are predictable, reliable and equitable			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	3.0
<b>SOURCE:</b> RUDO reports	1998	3.3	3.3
	1999	3.7	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Guatemala, Warsaw  **Explanation for the decline in the target average number. One of the reporting RUDOs is expected to graduate. The absence of its rating affects the weighting and sum of the average, which then shows as a decrease in the target number for the reporting year.	2000	3.5**	
	2001	3.0**	
	2002	4.0	
<b>COMMENTS:</b>	2003	4.0	

Stage/Level			
1	2	3	4
Transfers do not occur between central and local governments.	Grants and project finance are provided to local gov' ts based solely on individual lobbying efforts and political favors.	Ministry of Finance or Interior has public and explicit policy outlining criteria for transfers to local gov' ts.	Transfer formulas are considered progressive and equitable and based on a country' s explicit strategic policy.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.3 Increased Local Government Autonomy			
<b>INDICATOR:</b> 2: Extent to which central/state policies, codes, and practices are implemented to facilitate autonomy in decision making and revenue generation			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.8
<b>SOURCE:</b> RUDO reports	1998	2.2	2.7
	1999	2.4	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Guatemala, Warsaw	2000	3.0	
	2001	3.0	
	2002	3.3	
<b>COMMENTS:</b>	2003	3.0	

Stage/Level			
1	2	3	4
Policies in place are inadequate for providing minimal autonomy.	Key autonomy issues by local governments are identified and working groups established that include NGOs and the public.	Policies are being voted or agreed upon by central governments to allow for more municipal autonomy.	Autonomy policies implemented and enforced.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION</b>	
<b>RESULT NAME:</b> IR 2.2.3 Increased Local Government Autonomy			
<b>INDICATOR:</b> 3: Extent to which municipalities are implementing network activities			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.2
<b>SOURCE:</b> RUDO reports	1998	1.4	2.0
	1999	2.9	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.	2000	3.3	
	2001	3.4	
* RUDOs reporting: Guatemala, Jakarta, New Delhi, Pretoria, Quito, Rabat, Warsaw	2002	3.8	
	2003	4.0	
<b>COMMENTS:</b>			

Stage/Level			
1	2	3	4
No networks established.	Networks established and common agendas are agreed upon that point to specific actions.	Action plans being implemented throughout municipalities.	Network activities are sustained over time.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.4 Enhanced Local Government Accountability			
<b>INDICATOR:</b> 1: Extent to which the public has access and is able to influence local governments on key environmental issues			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.6
<b>SOURCE:</b> RUDO reports	1998	1.9	2.4
	1999	2.4	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Jakarta, New Delhi, Quito, Rabat, Warsaw	2000	2.6	
	2001	2.9	
	2002	3.1	
<b>COMMENTS:</b>	2003	3.0	

Stage/Level			
1	2	3	4
No public meetings or open forums for discussion.	Public meetings are scheduled and occur on an as-needed or regular basis.	Evidence of public input to the budget changes is due to either citizen pressure; planning changes; or infrastructure investment changes.	Evidence that public has influence over city policies would be linking public meetings to budget preparation; or investment plans; or changes in management at city hall.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.4: Enhanced Local Government Accountability			
<b>INDICATOR:</b> 2: Degree to which the budget and decision-making processes are open to the public			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	1.0
<b>SOURCE:</b> RUDO reports	1998	1.0	1.0
	1999	1.0	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Jakarta and New Delhi.	2000	2.0	
	2001	2.0	
	2002	2.5	
<b>COMMENTS:</b>	2003	2.6	

Stage/Level			
1	2	3	4
No public meetings or printed materials on budgets.	Budgets are printed in newspapers, available at local or central gov't ministries.	City councils include one citizen-at-large seat and/or other formal community representation mechanism at annual budget hearings.	Citizens initiatives or positions are evidenced in budget document.

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.4: Enhanced Local Government Accountability			
<b>INDICATOR:</b> 3: Degree to which citizens feel confident in their local government's capabilities			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	2.0
<b>SOURCE:</b> RUDO reports	1998	2.5	N/A
	1999	3.0	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: Warsaw  ** Proposed Mission graduation in Poland.	2000	3.0**	
	2001		
	2002		
<b>COMMENTS:</b> USAID/Poland did not conduct a national survey during FY98, so no data are available. USAID/Poland is in the process of revising their SO-level indicators. In subsequent years, USAID/Poland will use the Freedom House data and focus groups to measure citizens confidence in local governments, instead of conducting a national survey.	2003		

Stage/Level			
1	2	3	4
No citizens' confidence.	30% of the public has confidence in local governments.	50% of the public has confidence in local governments.	70% of the public has confidence in local governments.



<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> IR 2.2.4: Enhanced Local Government Accountability			
<b>INDICATOR:</b> 4: Extent to which women and disenfranchised groups are represented in local governments and other decision making bodies			
<b>UNIT OF MEASURE:</b> The average score of those RUDOs who are reporting on this indicator for each year.*	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	3.0
<b>SOURCE:</b> RUDO reports	1998	3.0	3.0
	1999	3.0	
<b>INDICATOR/DESCRIPTION:</b> Each indicator has a set of four descriptive “stages.” The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.  * RUDOs reporting: New Delhi	2000	3.0	
	2001	3.0	
	2002	3.0	
<b>COMMENTS:</b>	2003	3.0	

Stage/Level			
1	2	3	4
No elected or appointed women and/or disenfranchised group officials are represented in local government.	A need has been identified by NGOs or the public that women and/or disenfranchised groups are under represented in local governments.	Women and or disenfranchised groups are on the ballots to be elected as local government officials.	Increased percentage of women and/or disenfranchised groups is represented in local government positions and other decision making bodies.

## **IR 2.3: Reduced Urban Pollution**

### *Summary*

Urban pollution is defined as the wastes produced from municipal, industrial, and mobile sources that contribute to the contamination of air, water, and land within a metropolitan region. Urban pollution threatens both the health and productivity of urban populations and natural ecosystems, which, in turn, undermines the goal of sustainable development. G/ENV/UP works to reduce urban pollution through improved municipal pollution management and improved industrial pollution management. G/ENV/UP focuses on three substantive areas: establishing policy, legal, and regulatory frameworks for pollution prevention; introducing best management practices and technologies; and building partnerships between government and industry to promote clean production.

### *Performance and Prospects*

In FY98, G/ENV/UP exceeded expectations for reduced urban pollution. A total of 141 industrial facilities reported implementing pollution prevention practices against a target of 90 facilities. The target of 90 facilities was exceeded due to a number of factors. In Egypt, the Environmental Pollution Prevention Program (EP3) used a "Rapid PPDA" model that emphasized immediate implementation of no-cost and low-cost pollution prevention measures and allowed the assessment of a greater number of plants. In Alexandria and the 10th of Ramadan, EP3 used a "circle" approach to train personnel of participating plants from the same industry sector. In Paraguay, most of the companies implementing pollution prevention were not directly audited by EP3 but were encouraged by the information they received at seminars and workshops organized by EP3/Paraguay. In Peru, the adoption of P2/CP technologies by fishmeal companies to reduce waste and improve yields had been growing rapidly, based on the positive implementation results at the seven EP3-assisted fishmeal plants in the city of Paracas.

Results in this sector also were exceeded for the pollution prevention policy and capacity-building indicators (See Performance Data Tables 2.3.2.1 and 2.3.2.3). EP3, which served as the catalyst for generating these results, ended in September 1998. Consequently, FY98 is the last year that G/ENV/UP will report on this set of indicators.

Over the course of five years, EP3 demonstrated successfully that the adoption of pollution prevention practices and technologies results in measurable economic and environmental benefits. The program's primary legacy is that it laid the conceptual foundation and strengthen the capacity of government officials, industry associations and private companies to embrace pollution prevention as a practical and cost-effective alternative to end-of-pipe solutions for reducing urban pollution. (For a more comprehensive account of EP3's accomplishments see "Environmental Pollution Prevention Projects: Final Report", November 1998. For more specific lessons learned from EP3 programs in Chile, Bolivia and Ecuador please see "EP3-LAC Technical Report: Conclusions and Recommendations," September 1998.)

*Possible Adjustments to Plans*

In FY99, G/ENV/UP will engage in a new set of activities designed to reduce greenhouse gas emissions and urban pollution through the application of environmental management systems (EMS). At present there are two complementary methodologies for reducing emissions and urban pollution. The first is a five milestone process developed by the International Council for Local Environmental Initiatives to specifically reduce greenhouse emissions. A second, broader methodology, the application of ISO 140001 or environmental management systems, seeks to improve overall environmental performance over time, including reducing the rate of greenhouse gas emissions. Pilot programs are underway or under development for both methodologies in Mexico, the Philippines, South Africa, Morocco and Indonesia. Results for these activities will be reported beginning in FY99 (see Performance Data Table 2.3.2.2b).

## IR 2.3 Performance Data Tables

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> 2.3.2.1: Improved Government and Industrial Policies that Include P2/CP Practices			
<b>INDICATOR:</b> Government and industries adopt P2/CP concepts as integral parts of environmental legislation and guidelines			
<b>UNIT OF MEASURE:</b> Number of policies/initiatives that reflect P2/CP concepts	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	4
<b>SOURCE:</b> Country survey	1997	4	33*
	1998	16	20
<b>INDICATOR DESCRIPTION:</b> P2 introduced into effluent discharge legislation (Paraguay); process to formulate P2/CP incentive policies introduced into national environmental bylaws (Bolivia); P2/CP incorporated into existing environmental programs (Indonesia); awareness of importance of P2/CP communicated to government officials (all countries).	1999		
	2000		
<p><b>COMMENTS:</b> This information reflects data supplied by EP3 country programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru.</p> <p>* Reason for the discrepancy between the target and actual: when the FY97 target was set, the unit of measure was <i>number of interventions in legislation</i>. During the data collection effort for the FY97 indicator report, the unit of measure was changed to <i>number of policies/initiatives</i>. Rather than measuring policies put into place, the indicator was modified to measure progress toward policy change and actual policy implementation.</p> <p>The EP3 program was formally closed in September 1998. Resources are not available to conduct follow-up surveys to monitor the industry implementation activities that are expected to continue after FY98.</p>	2001		
	2002		
	2003		
	Total		

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> 2.3.2.2a: Improved P2/CP practices and technologies at the industrial level			
<b>INDICATOR:</b> Number of industries integrating P2/CP concepts and technologies into their daily operations and manufacturing processes.			
<b>UNIT OF MEASURE:</b> Number of industrial facilities satisfactorily implementing P2/CP concepts	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	132	298
<b>SOURCE:</b> Country Survey	1997	400	260
<b>INDICATOR/DESCRIPTION:</b> This information reflects data supplied by EP3 country programs in Bolivia, Ecuador , Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru. The EP3 program was formally closed in September 1998. Resources are not available to conduct follow-up surveys to monitor the industry implementation activities that are expected to continue after FY98.	1998	90*	141
	1999	**	
	2000	**	
	2001	**	
	2002	**	
	2003	**	
<b>COMMENTS:</b> * Revised target based on results of FY97 field survey included facilities directly receiving technical assistance. Secondary impacts of training and policy reform are not reflected in this number.  ** The preliminary indicator table on the following page is currently under development for use in the R4 for FYs 1999-2001. That indicator will replace this EP3 indicator to measure performance at the SSO level.			

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 04/17/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULTNAME:</b> 2.3.2.2b: Improved urban environmental management			
<b>INDICATOR:</b> Progress toward implementation of improved urban environmental management systems.			
<b>UNIT OF MEASURE:</b> Index composed of points awarded for completion of steps toward implementation of an environmental management system (GCC and EMS approaches).	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	N/A	
	1997	N/A	
<b>SOURCE:</b> RUDO and partner reports.	1998	N/A	
	1999	4*	
<b>INDICATOR/DESCRIPTION:</b> <b>Phase 1: EMS and GCC Program Development</b> a. Developed general methodology and material s (1 point each of EMS/GCC). b. Identified and trained partners in pilot cities (1 point each for EMS/GCC). <b>Phase 2: EMS and GCC Program Implementation</b> a. Identified and adopted policies at municipal level (2points). b. Developed local implementation plan with targets and measures (4points) c. Instituted impact monitoring and feedback mechanisms (2 points).	2000	10**	
	2001		
	2002		
	2003		
<b>COMMENTS:</b> Points are cumulative annually and across pilot cities. Index is not necessarily sequential. Index applies to both GCC and EMS models.  * 4 = 2 points for EMS Phase 1completion and 2 points for GCC Phase 1 completion ** 10 = 6 points for completion of Phase 2, part in three pilot cities plus 4 points from 1999.  NOTE: This indicator table is currently under development for use in the R4 for FYs 1999-2000. Targets for FYs 2001-20003 will be determined during the development of a new results framework for EMS and GCC activities.			

<b>OBJECTIVE:</b> SSO2: Improved management of urbanization in targeted areas			
<b>APPROVED:</b> 09/05/1997		<b>COUNTRY/ORGANIZATION:</b> G/ENV/UP	
<b>RESULT NAME:</b> 2.2.2.3: Strengthened In-Country Capacity to Advocate P2/CP			
<b>INDICATOR:</b> In-country capacity strengthened to promote sustainability			
<b>UNIT OF MEASURE:</b> Number of individuals that have been trained, formed P2/CP partnerships, or become champions of P2/CP concepts	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	18
<b>SOURCE:</b> Country survey	1997	18	3,191*
	1998	2,146*	2,778
<b>INDICATOR/DESCRIPTION:</b> Individuals trained in a variety of P2/CP/EMS concepts (all countries); local partners strengthened through training and technical assistance provided to staff, counterparts, and consultants in Egypt (DRTPC, TIMS, FEI, EEAA), Ecuador (OIKOS), Paraguay (UIP), Bolivia (Camera, LIDEMA), Indonesia (MIOT, BAPEDAL, university professors, Sucofindo, Redecon); additional partnerships established in support of industry circles and roundtables (all countries); plants implementing P2/CP/EMS as a result of EP3 training (Bolivia, Indonesia, Egypt); change agents actively promoting P2/CP concepts (all countries); P2/CP incorporated into higher education courses (all countries); marketing strategies and plans developed for closing EP3 country office (Paraguay); study tour hosted for staff from the EP3/Egypt office and counterpart agencies (Egypt); case studies and training manuals produced, translated, and disseminated (all countries).	1999		
	2000		
	2001		
	2002		
<b>COMMENTS:</b> This information reflects data supplied by EP3 country programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru.  Figure reported for the FY96 actual represents the number of P2/CP initiatives implemented. This indicator was revised during development of the Performance Monitoring Plan to report on the number of individuals trained, those who formed partnerships, or those who became champions of P2/CP concepts.  * Reason for the discrepancy between the target and actual: when the FY97 target was set, the unit of measure was <i>number of initiatives</i> . During the data collection effort undertaken to prepare the FY97 indicator report, the unit of measurement was changed to <i>number of individuals</i> .  The EP3 program was formally closed in September 1998. Resources are not available to conduct follow-up surveys to monitor the industry implementation activities that are expected to continue after FY98.	2003		

## **SSO3 IR PROGRESS TOWARD OBJECTIVES**

### **IR 3.1: Increased Energy Efficiency**

#### *Summary*

Improving energy efficiency is recognized as one of the most cost-effective means of addressing environment, energy, and economic problems facing developing countries. It is also often the easiest and least expensive way to avoid the need for new power plants, to reduce pollutants, and to lower a nation's economic burden of energy imports.

G/ENV's SSO3 program supports a wide range of activities to promote innovation in energy efficiency technology and in the policy, financing, and institutional responses to the energy efficiency challenge. Examples of the SSO3 team's work include fostering the growth of local private energy service companies and non-governmental organization energy efficiency centers, the development of efficiency standards and codes, capacity building in the area of Demand Side Management (DSM) and transportation sector efficiency, technical assistance in the definition of international financial institution credit windows to support efficiency projects, financial support for pilot projects, and design assistance on demand aggregation programs.

#### *Key Results & Performance and Prospects*

IR 3.1 made satisfactory progress toward achievement of most anticipated results in FY98. The IR 3.1 program devoted significant resources to help Ghana address a national energy crisis. Following President Clinton's visit to Ghana in the early part of 1998, the IR3.1 program leader spearheaded an inter-agency team visit to Ghana. One of the critical activities of the team was gathering data to respond to Ghanaian Vice President John Atta Mills' request for an analysis of the country's energy crisis and policy recommendations for reforming the energy sector. An integral part of the team's comprehensive report *An Energy Roadmap for Ghana* was the development of an energy efficiency strategy. The IR 3.1 program supported a number of actions in FY98 to help Ghana design an energy efficient future. Actions included the launching of the Energy Foundation - Ghana's first non-profit organization devoted to promoting energy efficiency and renewables programs in West Africa; initiating training and technical assistance activities designed to fortify the government's capacity in the area of energy efficiency; and strengthening an aggressive publicity campaign to teach Ghanaian consumers how to be more energy efficient in the face of the energy crisis.

In addition to the work in Ghana, the IR 3.1 program continued to train energy planners in DSM and integrated resources planning in the Philippines, Mexico, and Brazil. Energy efficiency policies were promulgated with the program's assistance in Guatemala, India, the Philippines, and Brazil. Efforts continued in the Philippines to improve building codes, establish energy efficient practices in shopping malls in metro Manila, and to improve efficiency in the transportation sector while in Indonesia the prospects for increased investment in energy efficiency are improving. An EETP Technical Advisory Group (TAG) member assisted USAID/Jakarta in evaluating roles, structures, and capacity



building requirements of NGOs to support energy efficiency improvements and sector reform in Indonesia in the wake of the financial crisis.

IR3.1's single highest level indicator is energy saved (in megawatts - MW). The target for FY98 is 12 MW, but only 4.3 MW of energy savings were realized. This lower figure had much to do with the nature of the work conducted in FY98 - the 4.3 MW is a direct result of a few technological demonstration projects while there was not as much work with activities that had an immediate payoff in terms of megawatts. IR3.1's programs are designed to establish the enabling conditions necessary for the private sector to implement projects that will ultimately result in MW reductions. As a number of these enabling conditions are now in place FY99 should see improvement in results under this indicator.

The other two important IR3.1 indicators that 'roll-up' into SSO3's indicators are IR3.1.1: *Policies adopted and implemented* and IR3.1.3: *Value of public and private sector investment leveraged by G/ENV*. The first indicator met its target while the latter fell substantially short. As with the highest level indicator, the team did not do as much work that had an immediate payoff in terms of projects yielding megawatts saved, investment leveraged, and GHG emissions avoided.

The two remaining indicators, cases of efficient technologies demonstrated, and improved capacity at host-country energy institutions, are performing above targets. IR3.1 projects resulted in five technologies demonstrated in key sectors, exceeding the goal of two. IR3.1 also strengthened over 21 institutions, well exceeding the goal of five. This was due to better than expected results for institutional strengthening work in Ghana and the Philippines.

#### *Possible Adjustments to Plans*

As mentioned, IR3.1's lagging indicators are energy saved, greenhouse gas emissions, and financing. All three are important at the SSO level and will continue to be monitored. The enabling conditions required for the development of energy efficiency improvements have been established in a number of countries and this should lead to satisfactory results in FY99. In addition, under the EETP SSO3 will offer training in Economic and Financial Analysis of Energy Efficiency Projects, and Energy Efficiency Entrepreneurship, Application of ISO14000 for Municipalities.

**IR 3.1 PERFORMANCE DATA TABLES**

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1:</b> Increased Energy Efficiency			
<b>INDICATOR 1:</b> Energy saved by adopting energy efficient technologies, practices, and policies			
<b>UNIT OF MEASURE:</b> Megawatts (MW)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	8
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	10	4
	1998	12	4.3
<b>INDICATOR/DESCRIPTION:</b> This indicator measures the energy saved (in megawatts) as a result of IR 3.1 interventions. This saving may be direct, such as through demonstration projects, or may be as a result of the catalytic role of IR 3.1's activities. To provide context, 1 megawatt will provide electric power to a community of about 5,000 residents in a developing country.	1999	14	
	2000	16	
	2001	18	
	2002	20	
<b>COMMENTS:</b> This indicator fell short due to the nature of the work conducted in FY98 —the 4.3 MW is a direct result of a few technological demonstration projects —while there was not as much work with activities that had an immediate payoff in terms of megawatts. Essentially, the SSO3 team and the IR team are both moving towards policy-oriented targets under the IQC.  Due to current transitions between contractual vehicles, targets for 1999 and beyond may be revised.	2003	22	
	Total	112	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.1:</b> Energy Efficiency Policies Adopted and Implemented			
<b>INDICATOR 1:</b> Number of energy efficiency policies adopted and implemented			
<b>UNIT OF MEASURE:</b> Number of policies	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	5
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	5	5
<b>INDICATOR/DESCRIPTION:</b> Indicator tracks the full spectrum of national, state, and local policy reforms in which G/ENV assistance plays an instrumental role in advancing. G/ENV will track when policies are formally adopted by governmental bodies and when policies are implemented. Results to be monitored from policy reforms may include tax restructuring, reductions of fossil fuel subsidies, private power purchase agreements, passage, and enactment of energy codes and standards.	1998	5	4
	1999	5	
	2000	5	
	2001	5	
<b>COMMENTS:</b>	2002	5	
	2003	5	
	Total	35	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.2:</b> Energy Efficiency Technologies Adopted and Replicated			
<b>INDICATOR 1:</b> Number of cases in which efficient technologies are demonstrated and replicated in key industries			
<b>UNIT OF MEASURE:</b> Number of cases	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	2
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	2	9
	1998	2	5
<b>INDICATOR/DESCRIPTION:</b> Each energy-efficiency program will track the number of cases in which a G/ENV introduced technology is demonstrated in a key industry, and then replicated by partners. Key industries where technologies will be tracked include food processing, tanneries, lighting, and manufacturing.	1999	2	
	2000	2	
	2001	3	
	2002	4	
<b>COMMENTS:</b> Two of the five cases in which efficient technologies were demonstrated and replicated were the result of work supported by the IR3.2 team. FY99 targets were not revised to reflect the activity level of FY97 & FY98 because the IR3.1 team does not believe they will exceed targets in FY99. In FY99, the team plans to focus on fostering the adoption and implementation of policies that encourage the development of energy efficiency projects. The team does not expect this action will result in an increase in active energy efficiency projects until FY2000. Targets for FY2001 – 20003 were revised based on the aforementioned assumption.	2003	5	
	Total	20	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.2:</b> Energy Efficiency Technologies Adopted and Replicated			
<b>INDICATOR 2:</b> Percentage of companies within G/ENV-targeted industries utilizing energy efficient technologies			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	20%
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	22%	0%
	1998	24%	0%
<b>INDICATOR/DESCRIPTION:</b> G/ENV will monitor the extent to which companies within targeted industries adopt IR.31-promoted energy efficiency technologies. Over time a rising percentage should be seen as firms hear more and more about the environmental and economic benefits of efficient energy use.	1999	26%	
	2000	28%	
	2001	30%	
	2002	30%	
<b>COMMENTS:</b> This indicator was deemed impossible to measure and an inappropriate index of SSO3 performance.	2003	30%	
	Total		

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.3:</b> Increased Investment in Energy Efficiency			
<b>INDICATOR 1:</b> Value of private and public investment leveraged by G/ENV			
<b>UNIT OF MEASURE:</b> U.S. dollars (millions)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	\$83.5*
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	85	\$9.9
	1998	10	\$904,450
<b>INDICATOR/DESCRIPTION:</b> Mobilizing investments and engaging partner participation in environmentally sound energy production and use are priorities for SSO3. Accordingly, this indicator monitors obligations and commitments made to environmentally sustainable energy in association with G/ENV activities at three levels:  Level I      USAID Mission and Bureau funding obligated in conjunction with G/ENV activities Level II      a. External funding leveraged from partners for joint G/ENV activities b. Funding for activities in which G/ENV developed policies, regulations, or project pre-investment c. Obligated or committed funding for MDB loan programs d. Financial closure for private-sector funded programs Level III Funding generated to replicate G/ENV-pioneered programs (new obligations, commitments or financial closure)	1999	10	
	2000	10	
	2001	10	
	2002	10	
	2003	10	
	Total	145	
<b>COMMENTS:</b> In FY98 no new IFI loans that specifically targeted energy efficiency were leveraged by USAID activities. Future targets are based on the assumption that significant investment in energy efficiency activities will be leveraged due to ongoing catalytic work.			

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.3:</b> Increased Investment in Energy Efficiency			
<b>INDICATOR 2:</b> Number of new energy service company (ESCO) projects in key countries.			
<b>UNIT OF MEASURE:</b> Number	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997	Baseline	2
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1998	2	1
	1999	2	
<b>INDICATOR/DESCRIPTION:</b> ESCO development is an important part of IR 3.1. The development and promotion of nascent ESCO industries in selected G/ENV-assisted countries can do much to establish energy efficiency as a means of saving money, increasing competitiveness, and being environmentally friendly.	2000	2	
	2001	2	
	2002	2	
<b>COMMENTS:</b>	2003	2	
	Total	14	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.4:</b> Improved Decision Making and Management by Host-Country Institutions			
<b>INDICATOR 1:</b> Number of host-country institutions adopting improved operating policies, practices, or technologies			
<b>UNIT OF MEASURE:</b> Number of electric utilities, government agencies, businesses	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	5
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	5	27
<b>INDICATOR/DESCRIPTION:</b> As energy institutions shift from centrally planned to market economies, new tools for planning, analysis, regulation, and training are necessary to facilitate this transition. Under IR 3.1, each public or private institution receiving G/ENV assistance will define the result being pursued to strengthen its institutional capacity. To be counted under this indicator, the targeted result must be reached.	1998	5	21
	1999	10	
	2000	8	
	2001	8	
<b>COMMENTS:</b> The IR 3.1 team achieved overwhelming success in this area due to the team’ s focus on institutional capacity building in FY97 & FY98. The IR 3.1 team expects the need for institutional capacity building to continue over the next two years therefore the targets for FY99 & FY2000 were revised.	2002	5	
	2003	5	
	Total	46	



<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.1.4:</b> Improved Decision Making and Management by Host-Country Institutions			
<b>INDICATOR 2:</b> Percent of training alumni reporting use of training content in their work			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	TBD
<b>SOURCE:</b> G/ENV survey	1997	TBD	N/A
	1998	TBD	N/A
<b>INDICATOR/DESCRIPTION:</b> This indicator is based on a survey of program graduates, and is intended to capture the degree to which participants are able to sue the program content to promote and/or implement IR 3.1. Tracking of this indicator will be conducted periodically on an as needed basis.	1999	TBD	
	2000	TBD	
	2001	TBD	
	2002	TBD	
<b>COMMENTS:</b> The survey tracking this indicator was developed in FY1998. The survey will be administered in FY1999.	2003	TBD	
	Total		

### **IR 3.2: Increased Use of Renewable Energy Resources**

#### *Summary*

Renewable energy technologies frequently represent the least-cost-option for satisfying human needs. They can pump water for domestic and community uses as well as irrigation and stock watering. They can power water purification systems. They can light schools and community centers as well as provide power for television sets and videocassette recorders. Renewable energy can enable the use of telephones. Public health clinics can be lit, diagnostic equipment can be used, vaccines can be refrigerated, and utensils can be sterilized. This energy can power new commercial enterprises or expand old ones. This is all done using indigenous resources that do not contribute to global climate change.

USAID programs in renewable energy are directed at overcoming market and institutional barriers to the penetration of renewable energy systems. USAID activities in the renewables area can be divided into four categories: adoption and implementation of policy or regulatory changes that clarify or establish rights and incentives for renewables, mobilization of business entities to pursue renewable energy, increased financial commitments to renewables, and establishment or strengthening of host-country non-profit institutions for the explicit purpose of promoting renewables.

#### *Key Results & Performance and Prospects*

IR 3.2 exceeded the target for one of its top-level indicators -- megawatts (MW) of grid-connected generation capacity -- and fell substantially short on its second -- number of off-grid small-scale systems. USAID based the FY98 target and future targets for the second indicator on IR 3.2 support of the Indonesian Solar Home Systems loan. With the recent economic crisis in Asia, which has hit Indonesia severely, this project has been placed on hold.

The sub-results for IR 3.2 were the most satisfying results. The IR team significantly exceeded its targets in all indicators. The team exceeded the target of \$150 million in increased funds made available to renewable energy by over \$300 million. In number of host-country non-profit institutions established or strengthened, the program exceeded the target level of seven institutions strengthening 21. In addition, 35 business entities were mobilized for renewable energy under the program, exceeding the target of 12. Last, but certainly not least, 10 policies were adopted, yielding a significant increase over the target of four.

#### *Possible Adjustments to Plans*

Expected Progress is favorable and in line with the Results Framework . It is anticipated that, in general, the proposed out-year targets will be met, although the economic and monetary crisis presently being experienced in Indonesia may effect a drop or change in expected results, particularly with IR3.2 indicator 2. In the last quarter of FY98, the IR3.2

program devoted significant attention to helping the Government of Mexico initiate the country's first comprehensive renewable energy program. The Mexico Renewable Energy Program is supported by a joint venture between USDOE and USAID. The program is designed to increase the appropriate and sustainable use of renewable energy technologies in Mexico, thereby expanding markets for both U.S. and Mexican industry and increasing the use of renewable energy technologies as a mechanism for combating global climate change, especially reduction of greenhouse gas (GHG) emissions. The activities are executed in six key areas: i.) agricultural development, ii.) protected area management and eco-tourism, iii.) solar water heating, iv.) rural electrification, v.) financing, and vi.) training. The program emphasizes sustainability and infrastructure development by working with established Mexican organizations to institutionalize the use of renewable energy technologies and also provides training and technical assistance in technologies, application, and project implementation on a number of cross-cutting activities. To date, more than 40 renewable energy companies from the U.S. and Mexico have participated in the program. More than 50,000 Mexicans have benefited from the 200 renewable energy systems installed this year. More than 1,500 engineers, suppliers, and decision-makers have been trained, and a potential market of more than US\$1 billion for renewable energy applications has been identified. The Mexico program is expected to yield significant results in FY99.

In addition to supporting the Mexico activities, the IR 3.2 team has been working with the Government of the Philippines on a bundle of activities designed to define a role for renewable energy projects in the country's energy mix. To this end, the team worked with the Philippines Department of Energy to introduce renewable energy in the private power legislation and lead a technical assessment team that helped the World Bank define a new rural electrification loan. At the SSO3 level, the team has been working with the Mission on the development of its strategic objective.

In the second quarter of FY99 the IR3.2 program will have a new array of contractors and cooperators as awards will have been made for the prime support contract bid in early FY99. The new cooperative agreement(s) will support activities designed to facilitate the expansion of sustainable market potential of commercial renewable energy technologies in countries assisted by USAID. Programs under the cooperative agreement will include technology exchanges, MDB support, technical assistance in the area of policy reform, and capacity building. In addition, under the EETP SSO3 will offer training in Economic and Financial Analysis of Renewable Energy Projects, and Renewable Energy Entrepreneurship.

**IR 3.2 Performance Data Tables**

OBJECTIVE: Increased, Environmentally Sustainable Energy Production and Use			
APPROVED: 17/04/1998		COUNTRY/ORGANIZATION: G/ENV/EET	
RESULT IR 3.2: Increased Use of Renewable Energy			
INDICATOR A: Newly installed capacity on-grid			
UNIT OF MEASURE: Megawatts (MW)	YEAR	PLANNED	ACTUAL
	1996	Baseline	49
SOURCE: Collaborators, cooperators, and stakeholders	1997	80	85.2
INDICATOR/DESCRIPTION: This indicator measures the capacity (in megawatts) of new generation facilities using renewable energy that come on line, providing electricity to national or regional utility grids, as a result of the catalytic role IR 3.2's activities are playing. To provide context, 1 MW will provide electric power to a community of about 5,000 residents in a developing country.	1998	85	92.54
	1999	90	
	2000	95	
	2001	100	
COMMENTS:	2002	105	
	2003	110	
	Total	665	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.2:</b> Increased Renewable Energy Production			
<b>INDICATOR B:</b> Newly installed systems off-grid			
<b>UNIT OF MEASURE:</b> The number of households, and service centers (health clinics, schools, etc.) that benefit from the small-scale energy systems.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	1,530
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	4,000	12,500
	1998	8,000	1,295
<b>INDICATOR/DESCRIPTION:</b> Definition: Small renewable energy systems, not connected to the utility grid, provide energy services (electricity, heat, etc.) or other services for which energy is a necessary intermediary (such as water that needs to be pumped other than by animal power) to households, enterprises, telecommunications facilities, and social service centers (e.g., health clinics, schools, etc.).	1999	2,000*	
	2000	3,000	
	2001	4,000	
<b>COMMENTS:</b> Much of these future targets are based on IR 3.2 support of the development of the Indonesian Solar Home Systems loan by the World Bank. With the recent economic crisis in Asia, which has hit Indonesia severely, this project has been placed on hold. It will be reviewed again at a later date to determine if the project should move forward.  * Until the impact of the Asia financial crisis on rural energy development has been assessed, the targets have been revised. In addition, due to current transitions between contractual vehicles, targets for 1999 and beyond may be once again revised when the new prime support cooperative agreement(s) is signed.	2002	5,000	
	2003	6,000	
	Total	32,000	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.2.1:</b> Renewable Energy Policies Adopted and Implemented			
<b>INDICATOR A:</b> Number of policies or regulations adopted and implemented that are clearly favorable to renewable energy			
<b>UNIT OF MEASURE:</b> Actual number of policies or sets of regulations adopted and implemented	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	0
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	2	17
	1998	4	10
<b>INDICATOR/DESCRIPTION:</b> This indicator tracks the national, state, and local policy or regulatory reforms that IR 3.2 plays an instrumental role in advancing. IR 3.2 will track when policies or regulations are formally adopted by governmental bodies and when those policies or regulations are implemented. Results to be monitored may include incentives adopted, subsidies for fossil fuels reduced or eliminated, and improved access laws for renewable energy resources.	1999	4	
	2000	4	
	2001	4	
<b>COMMENTS:</b> Due to the selection of this vehicle as a primary focus of the SSO level work, the IR team achieved overwhelming success in FY98 (see narrative for a description of activities).	2002	4	
	2003	4	
	Total	26	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.2.2:</b> Business Entities Mobilized for Renewable Energy			
<b>INDICATOR A:</b> Businesses investing and joint ventures formed			
<b>UNIT OF MEASURE:</b> Actual member of businesses initiating new or more active pursuit of specific projects, and new joint ventures formed (with specific promotion of U.S.-host-country private sector partnerships) to do so.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	8
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	9	28
	1998	12	35
<b>INDICATOR/DESCRIPTION:</b> This indicator tracks the number of businesses that, as a result of assistance funded by IR 3.2, decide to pursue or increase the pursuit of developing specific renewable energy projects. In addition, new businesses or joint ventures that are newly formed with or as a result of IR 3.2 activity, with subsequent activity in pursuit of projects, will be counted.	1999	15	
	2000	15	
	2001	20	
<b>COMMENTS:</b> Due to a remarkable performance by Winrock International and their subcontractors the IR posted significant results in this category.	2002	20	
	2003	25	
	Total	122	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.2.3:</b> Increased Financial Commitments to Renewable Energy			
<b>INDICATOR A:</b> New financing explicitly made available for, or committed to, renewable energy projects by the private or public sector			
<b>UNIT OF MEASURE:</b> U.S. dollars (million)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	\$50
<b>SOURCE:</b> Collaborators, contractors, and stakeholders	1997	375	\$386.4
	1998	150	\$483
<b>INDICATOR/DESCRIPTION:</b> This indicator tracks three categories of serious financial commitments that are made for renewable energy projects, prior to construction or installation of functioning hardware: (a) approval of loan packages dedicated to renewable energy by the multilateral development banks (public sector); (b) financial closure on specific projects by the private sector (which may include financing from private banks); and (c) obligation of financing for renewable energy technologies by non-MDB public sector entities. The intention of this indicator is to capture serious signals of intermediate success in mobilizing financing for investment. When systems subsequently are constructed or installed and are operating, then the data is reflected in the top-level indicators for IR 3.2.	1999	175	
	2000	200	
	2001	225	
	2002	250	
	2003	275	
<b>COMMENTS:</b> * Due to stellar performance by the Winrock International team the IR posted remarkable results. Winrock International’s programs leveraged over \$341 million in investments in renewable energy projects in FY98.	Total	1,700	



<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.2.4:</b> Host-Country Non-Profit Institutions Established or Strengthened			
<b>INDICATOR A:</b> Number of host-country institutions (E) established and (S) significantly strengthened for the purpose of promoting renewable energy			
<b>UNIT OF MEASURE:</b> Actual number of public sector or non-profit NGOs established or strengthened (including on-going strengthening, and thus institutions counted more than once)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	(E) 4 (S) 8
<b>SOURCE:</b> G/ENV project tracking	1997	(E) 1 (S) 6	(E) 2 (S) 15
	1998	(E) 1 (S) 7	(E) 8 (S) 21
<b>INDICATOR/DESCRIPTION:</b> This indicator tracks new institutions established (for instance, a Renewable Energy Project Support Office) or existing institutions strengthened (by provision of direct funding, technical assistance, or training) explicitly for the purpose of promoting renewable energy.	1999	(E) 2 (S) 8	
	2000	(E) 1 (S) 9	
	2001	(E) 1 (S) 10	
	2002	(E) 1 (S) 12	
<b>COMMENTS:</b> Due to a strong performance by Winrock International and their subcontractors the IR posted significant results.	2003	(E) 1 (S) 14	
	Total	(E) 9 (S) 40	

### **IR 3.3: Clean Energy Production and Use**

#### *Summary*

Fossil fuels will continue to be the main source of energy worldwide for the next century. USAID is working to facilitate developing countries' adoption of cleaner, sustainable, and fossil-fuel technologies.

In the area of clean energy, USAID promotes the development of technical solutions coupled with appropriate policy frameworks, economic incentives, investment capital, private sector partnerships, and capacity building. USAID fosters private investment in clean-energy projects by supporting pilot projects and technical assistance and assisting with regulatory reform.

#### *Key Results & Performance and Prospects*

IR 3.3 did not have task orders in place until the last month of FY98. Therefore, the program's ability to achieve expected results was severely hampered. Despite the lack of a contracting vehicle, in FY 98 the team made progress in a number of areas and laid the foundations for future results in Southern Africa, Ghana, India, and Mexico. In Southern Africa the team conducted strategic planning and the results package manager established relationships with key players, conceptualized a plan for private power, laid the groundwork for collaboration with the Regional Center for Southern Africa (RCSA), and worked-out the terms of reference to provide technical assistance associated with increased private investment in the power sector for the SADC countries. In Ghana, the team led an interagency team that produced an energy strategy roadmap that offered a short-term strategy to deal with the energy crisis in Ghana and suggested options to meet long-term energy needs. Through this effort, the team also began the process of strengthening key Ghanaian energy institutions. In terms of the electric vehicle activity in India, the results manager conducted meetings with U.S. technology providers and was successful in brokering their participation with Indian transportation firms. The U.S. firms will be supplying critical components for the vehicles. In Mexico, a new company was created to market Reduced Emissions and Advanced Combustion Hardware (REACH) technology that was previously installed in the Manzanillo power plant. Negotiations between the company and a Mexican utility are in process to install additional units in Manzanillo and at two more power plants in Mexico. Additionally, the firm is engaging in discussions with PEMEX to incorporate this technology at its refineries. Concrete results consistent with the appropriate indicators are expected at the end of FY99.

In addition, under the EETP SSO3 is offering training in Integrated Resource Planning, Implementation of Regulatory Reform, Global Climate Change & Development, Emissions Trading, Macroeconomic Modeling for Climate Change, Economics of Climate Change, and Monitoring and Verification of Carbon Emissions (Sources & Sinks).

Under *IR3.3.3 Indicator 1: Number of partnerships between U.S. and host-country businesses brokered* the EPP supported at the SSO level fostered seven partnerships between U.S. and developing country utilities. In addition, at the close of FY98 the IR 3.3 program took a number of key actions intended to stimulate the growth of the electric vehicle industry in India (described above). The efforts in India resulted in the establishment of a partnership between a U.S. and Indian firm to design and manufacture electric vehicles. The results of these two activities yielded a total of eight partnerships, a significant increase over the target of three. Work supported under the Energy Partnership Program also contributed the results in *IR 3.3.4 Indicator 1: Number of Host Country Institutions Strengthened*.

#### *Possible Adjustments to Plans*

Program progress under IR3.3 will resume in a meaningful way in FY99. As mentioned above, at the close of FY98 significant program actions were being developed for Mexico and India. New initiatives in Africa - Malawi and SADC countries in particular - were also underway by the end of FY98. Large-scale commercial energy and infrastructure projects require enormous investments and long gestation periods. The catalytic work and support provided by USAID is often at the initial stages of a project. For example, technical assistance for institutional strengthening, regulatory reform, or other foundation-laying is essential to the ultimate success of commercially financed or operated projects. Therefore, there may be a lag between the time that the Agency provides support of critical training or technical assistance, and the completion of a project that actually goes on line. Over the next two to three years the team anticipates that there will be significant results from its investment in this intermediate result.

On the management side, at least one full time person will join the IR3.3 team and strengthen not only the day-to-day management of the field work but also the ability to support the Missions and Bureaus.

### IR 3.3 Performance Data Tables

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3:</b> Increased Clean Energy Production and Use			
<b>INDICATOR 1:</b> GHG Emissions Avoided —(D) direct, (C) catalyzed by partners			
<b>UNIT OF MEASURE:</b> Metric tons of appropriate GHG	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	(D) 2,350 (C) N/A
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	(D) 2,350 (C) N/A
<b>INDICATOR/DESCRIPTION:</b> Tracking IR 3.3’s contributions to GHG emissions avoided relies on two separate measures to capture the direct and indirect results. While it is impossible to accurately insure GHG emissions, the indicator is a good proxy for the environmental soundness of G/ENV’s programs. GHG emissions from fossil fuel generation (including refining and conversion), transmission, distribution, and end use.  Avoided GHG emissions that fall within G/ENV’s manageable interests are measured in two ways: (D) emissions avoided by USAID-funded or directly assisted activities, and (C) emissions avoided by projects USAID has catalyzed.  The direct targets are based on experience gained through such activities as the Manzanillo power plant retrofit and coal Washeries Purchase Agreements. These targets reflect both the time lag involved in demonstrating and replicating investments and the normal bureaucratic process entailed in legislative policy changes. Baseline targets are realistic in light of the gap between initial activities and actual results.	1998	0**	N/A*
	1999	(D) 2,000 (C) 3,000	
	2000	(D) 2,000 (C) 3,000	
	2001	(D) 3,000 (C) 4,500	
	2002	(D) 3,000 (C) 4,500	
	2003	(D) 4,000 (C) 6,000	
<b>COMMENTS:</b> * N/A is used because the IR team did not have any active projects in FY98 that would have materially contributed to this and other targets. This was due to a lack of a task order for FY98.  ** 0.00 is targeted because IR 3.3 will not have any projects up and running in FY98 long enough to affect a change in the indicator, i.e., to realize results.  The 2,350 tons of GHG emissions avoided were a result of deploying advanced combustion technology at the Manzanillo power plant in Mexico. The Manzanillo power plant has ordered additional equipment from the U.S. in order to further evaluate the possibility of introducing the REACH technology at other plants in Mexico.  Source: Independent measurements by Salt River Project (SRP) and CFE; final project report.	Total	(D) 14,000 (C) 21,000	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3:</b> Increased Clean Energy Production and Use			
<b>INDICATOR 2:</b> Number of clean energy activities initiated by the private sector			
<b>UNIT OF MEASURE:</b> Number of activities	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	2
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	N/A
	1998	2	4*
<b>INDICATOR/DESCRIPTION:</b> This is a “catch-all” indicator allowing the evaluation of any significant direct and indirect activity contributing to IR 3.3. It is also a qualitative indicator to recognize the time lags between the beginning of a project and its actual contribution to environmental improvement. For example, if a new coal plant using advanced coal combustion techniques is started in 1999, it may be a full five years before generation begins. Yet, those activities are a result of G/ENV’s work and will ultimately contribute to reduced GHG emissions. Other examples include the coal washeries purchase agreements (ETIP) which were carried out in 1995, resulted in formation of on-the-ground projects in 1997, which will be in operation by 1999.	1999	2	
	2000	2	
	2001	3	
	2002	3	
<b>COMMENTS:</b> *Due to the lack of a task order the IR team did not have any active projects in FY98 that would have materially contributed to this target. The results achieved under this indicator were accomplished through an activity supported at the SSO level (see narrative for details).	2003	3	
	Total	15	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3:</b> Increased Clean Energy Production and Use			
<b>INDICATOR 3:</b> Estimated reduction in emissions of local pollutants			
<b>UNIT OF MEASURE:</b> Metric tons of pollutant avoided or abated of particulate matter (PM) and SO2	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	PM 0 SO2 0
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	N/A
<b>INDICATOR/DESCRIPTION:</b> Based on the number of demonstration projects initiated, adopted, and replicated, this indicator will measure the amount of air, soil, and water pollution reduced or averted. All clean energy activities result in reducing or averting conventional pollutants such as particulate matter, sulfur dioxide, nitrous oxides, and ozone if for no other reason than more efficient technologies require less energy input per unit of output and thus every BTU of energy output results in less pollution, including GHG.  Note that a target has not yet been chosen for sulfur dioxide (SO2). This stems from the fact that fuel and combustion characteristics are important determinants of SO2 emissions and in the absence of concrete activities with their associated fuel and combustion characteristics it would be difficult to determine SO2 targets. Once these activities have been more closely identified, a target for SO2 emissions reductions will be determined.	1998	PM 700 SO2 TBD	N/A*
	1999	PM 1500 SO2 TBD	
	2000	PM 1500 SO2 TBD	
	2001	PM 1900 SO2 TBD	
	2002	PM 2900 SO2 TBD	
	2003	PM 2300 SO2 TBD	
	Total	PM 9800 SO2 TBD	
<b>COMMENTS:</b> * N/A is used because the IR team did not have any active projects in FY98 that would have materially contributed to this and other targets. This was due to a lack of task order for all but the last month of FY98.			

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3.1:</b> Increased Clean Energy Policies Adopted and Implemented			
<b>INDICATOR 1:</b> Number of clean energy policies (A) adopted and (I) implemented			
<b>UNIT OF MEASURE:</b> Number of policies	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	1
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	1
	1998	0	N/A*
<b>INDICATOR/DESCRIPTION:</b> Indicator tracks the full spectrum of national, state, and local policy reforms in which IR 3.3 plays an instrumental role in advancing. IR 3.3 will track when policies are formally adopted by governmental bodies and when policies are implemented. Results to be monitored from policy reforms may include economic incentives for adoption of cleaner energy or implementation of pollution codes and standards.	1999	1	
	2000	1	
	2001	1	
<b>COMMENTS:</b> * N/A is used because the IR team did not have any active projects in FY98 that would have materially contributed to this and other targets. This was due to a lack of task order.	2002	2	
	2003	2	
	Total	7	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3.2:</b> Clean Energy Technologies Adopted and Replicated			
<b>INDICATOR 1:</b> Number of cases in which clean energy technologies are (D) demonstrated and (R) replicated in key sectors			
<b>UNIT OF MEASURE:</b> Number of cases	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	(D) (R)
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	N/A
<b>INDICATOR/DESCRIPTION:</b> Each cleaner energy program will track the number of cases in which a G/ENV-introduced technology is demonstrated in a key sector, and then replicated by partners. Key sectors where technology will be tracked include power generation, transportation, and methane utilization.	1998	(D) 1 (R) 1	N/A*
	1999	(D) 1 (R) 2	
	2000	(D) 2 (R) 2	
<b>COMMENTS:</b> * N/A is used because the IR team did not have any active projects in FY98 that would have materially contributed to this and other targets. This was due to a lack of task order.	2001	(D) 2 (R) 4	
	2002	(D) 3 (R) 4	
	2003	(D) 3 (R) 6	
	Total	(D) 12 (R) 19	



OBJECTIVE: Increased, Environmentally Sustainable Energy Production and Use			
APPROVED: 17/04/1998		COUNTRY/ORGANIZATION: G/ENV/EET	
RESULT IR 3.3.3: Increased Investment in Clean Energy			
INDICATOR 1: Number of partnerships between U.S. and host-country businesses brokered			
UNIT OF MEASURE: Number of partnerships	YEAR	PLANNED	ACTUAL
	1996	Baseline	2
SOURCE: Collaborators, cooperators, and stakeholders	1997	N/A	1
	1998	3	8*
INDICATOR/DESCRIPTION: Engaging the private sector in cleaner energy production and use will require U.S. and host-country partnerships for financial resources and technical assistance to be transferred to key country institutions. This indicator will track the number of partnerships between these entities that are successfully brokered by G/ENV.	1999	1	
	2000	1	
	2001	2	
COMMENTS: * Even though the IR team did not have a task order for FY98, a cooperative agreement with the office at the SSO level led to significant results under this performance indicator (see narrative for description).	2002	2	
	2003	3	
	Total	11	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3.3:</b> Increased Investment in Clean Energy			
<b>INDICATOR 2:</b> Value of private and public investment leveraged by G/ENV			
<b>UNIT OF MEASURE:</b> U.S. dollars (millions)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	\$23.3
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	\$100.0
	1998	5	\$.05*
<b>INDICATOR/DESCRIPTION:</b> Mobilizing investments and engaging partner participation, especially the private sector, in cleaner energy production and use is the highest result IR 3.3 is pursuing. Strong private sector collaboration bodes well for the sustainability of G/ENV' s programs, since cleaner energy provision is a highly commercial activity. Only private capital markets can command the financial resources needed to increase world energy supply to meet the growing demand, and only the incentives that drive private sector profitability can help ensure cleaner energy.  Monitoring of private investment (and if appropriate public counter investments) may include equity, stock exchange and conventional investment instruments.	1999	10	
	2000	10	
	2001	15	
	2002	15	
<b>COMMENTS:</b> * Even though the IR team did not have a task order for FY98, a cooperative agreement with the team at the SSO level led to the initiation of private sector investment in the primary phase of a project.	2003	20	
	Total	75	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3.4:</b> Improved Decision Making and Management by Host-Country Institutions			
<b>INDICATOR 1:</b> Number of host-country institutions strengthened			
<b>UNIT OF MEASURE:</b> Number of electric utilities, government agencies, businesses	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	2
<b>SOURCE:</b> Collaborators, cooperators, and stakeholders	1997	N/A	4
<b>INDICATOR/DESCRIPTION:</b> As energy institutions shift from centrally planned to market economies, new tools for planning, analysis, regulation, and training are necessary to facilitate this transition. Under IR 3.3, each public or private institution receiving G/ENV assistance will define the result being pursued to strengthen its institutional capacity. To be counted under this indicator, the targeted result must be reached.	1998	2	4*
	1999	2	
<b>COMMENTS:</b> * Even though the IR team did not have a task order for FY98, a cooperative agreement with the office at the SSO level led to significant results under this performance indicator.	2000	2	
	2001	3	
	2002	3	
	2003	4	
	Total	16	

<b>OBJECTIVE:</b> Increased, Environmentally Sustainable Energy Production and Use			
<b>APPROVED:</b> 17/04/1998		<b>COUNTRY/ORGANIZATION:</b> G/ENV/EET	
<b>RESULT IR 3.3.4:</b> Improved Decision-Making and Management by Host-Country Institutions			
<b>INDICATOR 2:</b> Percent of training alumni reporting use of training content in their work			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Baseline	
<b>SOURCE:</b> G/ENV survey	1997	N/A	
	1998	2.5	N/A
<b>INDICATOR/DESCRIPTION:</b> This indicator is based on a survey of program graduates, and is intended to capture the degree to which participants are able to use to program content to promote and/or implement IR3.3-type activities. Tracking of this indicator will be conducted periodically on an as needed basis.	1999	5	
	2000	7.5	
	2001	10	
	2002	12.5	
<b>COMMENTS:</b> The survey was developed in FY98 and will be administered in FY99.	2003	15	
	Total	15	

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**ANNEX E: CROSS-CUTTING ISSUES**

March 15, 1999

**ANNEX E: CROSS-CUTTING ISSUES***SSO1*

SSO1 IR team activities contribute to strengthened democracy and governance, and social safety nets; economic growth; reduced impact of global climate change; and other cross-cutting issues. CB-NRM activities that promote better environmental management introduce, demonstrate, and reinforce basic democratic values that also strengthen democracy and governance. Lessons learned by communities managing their own natural resources can be used to participate in and influence democratic activities on a larger scale. The social safety net is strengthened as people and the communities gain tenure they have more secure access to natural resources of their land. Environmental education and communication, another component of the SSO1 team, promotes advocacy and participation, and strengthens civil society through investments in more pluralistic, participatory, transparent, and accountable governance. Other SSO1 initiatives, such as supporting research on the cost-effectiveness of reduced impact harvesting methods, demonstrate that forest managers can increase their incomes by using technologies that increase profits while benefiting the environment. Also, as communities gain control of their own natural resources, they have an increased interest in managing the resources for maximum benefit. Team contributions to forest fire mitigation and response directly benefit initiatives to reduce greenhouse gases (GHGs). As forests and tree systems are better managed for protecting biodiversity, they absorb increasingly greater amounts of GHGs. Water is another area that benefits other cross-cutting issues. Members of the water team represent women in development, agriculture, urban, disaster assistance, and regional bureau interests. The nature of environment and natural resources programs lends itself to complementarity with a host of other important issues of the Agency.

*SSO2*

Only when developing countries are making cities work can USAID's goals be realistically achieved. Cities have always been the prime engines of economic and social growth. When cities run smoothly, they facilitate trade and create development opportunities, enable sustainable environmental management, and enhance labor productivity through improved health and reduced crime.

The sheer speed of growth of cities in the developing world, however, is leading to large-scale breakdowns in many urban areas. Thirty years ago, 80 percent of the population in the developing countries lived in rural areas. By 2005, more than one-half of the world's population will live in cities. In thirty years, the world's urban population will double, from 2.5 to five billion people, and 70 percent of these individuals will live in the cities of the developing world.

To address the growing issue of urbanization throughout the developing world, the Administrator launched an initiative to create a cross cutting urban strategy to implement throughout the Agency. USAID's Urban Task Force - which included members from the regional bureaus, the different sections of the Global Environment Center and PPC and chaired by the Office of Environment and Urban Programs - developed the "Making Cities Work" strategy. The "Making Cities Work" strategy was created from the vast experience of the staff from the different regions and sectors and will be used to improve results throughout the Agency. This cross-cutting strategy integrates urban management approaches into the Agency's development

programs to better meet the enormous challenges of providing adequate water, sanitation, housing, electricity, health care, and education to this exploding population.

USAID is pursuing several avenues to implement this cross-cutting strategy.

**Promoting demonstration projects and the Making Cities Work Strategy.** The Making Cities Work Taskforce identified four demonstration projects as examples of new ways of thinking through urban issues to achieve the Agency's goals. These activities are cross-cutting and represent innovative approaches to making cities work that missions can tailor to meet their own needs. The four examples are:

Innovative Approaches to Solid Waste Management in Peri-Urban Areas - Peru  
Community Learning Centers Project - Ghana  
Kathmandu Valley Earthquake Risk Management Project - Nepal  
Local Government Partnership Program - Poland

**Building alliances.** To leverage financing and support, the Agency is building and expanding its links with organizations and other sectors in the Agency that share an interest in making cities work. These include the business and financial community, nongovernmental organizations, U.S. government agencies, and the multilateral and bilateral donor institutions. In the past year, G/ENV/UP has worked to strengthen its relationships with the World Bank, Woodrow Wilson International Center for Scholars, Inter-American Development Bank, National League of Cities, U.S. Department of Housing and Urban Development, Worldwatch Institute, and the United Nations Foundation.

**Capacity Building.** The capacity of USAID and its partners to monitor and address urban challenges is being strengthened through training activities focusing on such issues as urban health, disaster mitigation, economic growth, and information and communication resources. During FY98, two offerings of G/ENV/UP's "Cities Matter: Principles and Practices of Local Government" training course were held in Washington DC, in which nearly 60 USAID officials from the U.S. and overseas were given technical direction in issues such as service delivery, citizen participation, and municipal finance. A wide range of USAID/W offices and overseas Missions attended these training sessions, and highlighted ways to incorporate local governments into a variety of programming efforts.

In addition to the "Making Cities Work" initiative, G/ENV/UP is also participating in several cross-cutting Joint Action Implementation Fund (JAIF) activities. During FY98, G/ENV/UP collaborated with USAID/Paraguay and G/HCD on the first Municipal Electronic Government and Community Learning Center in Paraguay. Additional collaborative JAIF activities include the LearnLink Project in Ghana, Comparative Risk Assessment in Khulna City, Bangladesh, an integrated water resource management activity in Morocco, and the Urbanization, Population, and Environment research project with the Woodrow Wilson Center.

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**ANNEX F: SYNERGIES**

March 15, 1999



**ANNEX F: SYNERGIES***SSO1*

SSO1 IR team synergies with other USAID operating units are many and varied. The Bureau's Joint Action Incentive Fund is an excellent example of how G/ENV contributes to intra-Bureau development objectives. Two activities were carried out under a sustaining urban water framework in ANE and LAC, and under a decentralization theme in LAC. Each initiative promoted increased cooperation among urban, health, gender, environmental, and other interests to manage water in a more integrated manner. In response to the El Niño droughts and forest fires of 1997, the water and forestry teams collaborated closely with BHR/OFDA on disaster preparedness activities in Southeast Asia. Also with BHR/OFDA and other international organizations, the water team through its NOAA technical connection, supported weather and river forecasting and modeling activities in Mexico, Thailand, Vietnam, and other countries. Other water-related activities are closely coordinated with PHN's Environmental Health Project. These include the *Ouled Teima* integrated wastewater and reuse project in Morocco and the decentralization of water and sanitation systems in Central America and the Caribbean. Although not established until FY99, the RAISE IQC is a joint activity with G/EGAD that accentuates the synergies between protecting the environment and fostering economic growth. Through these and other initiatives, G/ENV directly and indirectly supports the strategic objectives of other USAID operating units.

*SSO3*

In India, USAID has a number of programs that intentionally link two or more goal areas to achieve results that are interdependent, e.g. SSO3 and SSO2. For example, the Sustainable Cities Initiative (SCI) and the Asia Sustainable Energy Initiative (1997-98) both sought to improve the provision of basic services such as electricity and water while providing energy savings and CO<sub>2</sub> reduction. SCI was designed to work on a municipal level in two distinct areas. One activity assisted a municipal power utility to reduce its distribution system losses and make its power supply available to a larger number of people at a higher level of reliability and service quality. At the same time, assistance to a municipal corporation was provided to rationalize its pumping energy costs and improve on its water dispatch philosophy so as to operate more effectively. Both of these interventions resulted in increased energy efficiency (IR3.1) and helped improve the institutional capacity in the municipal corporation (IR2.2). Both interventions are expected to impact a significant number of customers, possibly in the tens of thousands.

In the Philippines, USAID is involved in a three-year greenhouse gas mitigation project that is working at several levels. Several tasks contribute to more than one SSO. For example, the fuel cell commercialization task is designed to introduce a clean, highly efficient power source (IR3.1) into the Philippines, which has is dependent on imported oil and coal as major fuels. Once commercial, fuel cells will also contribute to reducing urban air pollution (IR 2.3) when deployed in densely populated cities and urban industrial parks.

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**ANNEX G: EVALUATION AGENDA**

March 15, 1999

**ANNEX G: EVALUATION AGENDA****Evaluations and Assessments (1998)**

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